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Final Edition

THURSDAY

In 2 Sections—Section 1

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4086 New York, N. Y., Thursday, July 2, 1942 Price 60 Cents a Copy

Should This Man Be Barred From the NASD?

By JOSEPH HAYNES

(The following is a true story. We believe that it tells more clearly than any other statement of the case, why the minimum capital proposal now before the members of the NASD should be overwhelmingly rejected.)—Ed. Note.

It was late in the afternoon, not so many years back, that John Bowman (which is not his name) sat at his trading desk trying to figure out what he was going to do in order that he might continue to meet his bills. His third job, in less than three years, had just gone out from under him. Because the firm he was with and another had merged, through no fault of his own, he was once again out of work.

Now he was nearing the forty mark. His large family was growing up. As they looked forward to high school and college the demands of his children were constantly increasing. The depression, sickness, care of aged parents and the past lean years of earning power as a Wall Street employee had left very little as a reserve fund that could be relied upon to tide his family over until another job could be found. As John Bowman sat at his desk, trying to decide where he could go, whom he could see about another job, his mind began to look into the future.

Where would it all lead? Would it be another job, and another, and another—until he was too old even to try to get on his feet? After these past twenty years in "the street" should he try some other field? If so, where could he go? Who wanted a man with his Wall Street experience? They were a drug on the market. He knew, because other friends had tried to get jobs in other fields and the result was the same everywhere—no "Wall Street men" seemed to be wanted! The more he sat there and tried to think the whole thing out the more he became convinced that there was something wrong with the entire picture. After all these years of working in the investment field there was just one thing that he had accomplished. HE KNEW HIS BUSINESS; HE HAD EXPERIENCE. HE HAD ALSO ESTABLISHED A REPUTATION AMONG HIS FRIENDS—HIS WORD AND HIS NAME WERE AS GOOD AS GOLD.

The more he looked into the future the more he questioned the wisdom of trying to provide bread and butter for his family in some other field when every one he knew with experience like his own in the securities business had failed. It just wouldn't work; it would lead up a blind alley. After all, he had handled millions of dollars worth of securities over the trading desks of some of the leading investment firms in the country during the past twenty years and here

(Continued on page 13)

Our Reporter On "Governments"

Government bond dealers these days aren't in a much better position—as far as forecasting news on new financings is concerned—than any country or small city banker. . . . The Treasury is consulting many sources on its plans, is talking terms with hundreds of investors and experts, is then going ahead with its old pre-war program of maintaining its silence until the last minute. . . . So, the market's guess can't be considered trustworthy—not even as trustworthy as in days gone by when a clear analysis of "what the traffic could bear" was a near-reliable barometer. . . . And now with this apology and preface, it's possible to go on wtih a summary of what the market anticipates for the next two months. . . .

In the first place, the action of the market recently suggests the justification for this column's forecast that in July, the banks will receive a bond issue. . . . Maybe not as long-term as the tap offering; in fact, probably not as long-term. . . . But a bond issue, nonetheless. . . .

Sluggish market movements of the long 2½s of 1972/67 and of the various issues in the '60 bracket are indicative. . . .

So are the rumors spread among dealers. . . . As a matter of fact, the market came close to being 100% perfect on its predictions concerning a certificate of indebtedness offering in June. . . . It seems logical that current reports of a bond issue in July will be also accurate. . . .

As for exact terms, the variety of predictions here is natural. . . . Persistent story is that for bank buying, maturity of bond issue would be restricted to the 1950-55 range. . . . That would mean prices of other bonds due in this maturity range would be depressed. . . . May see longer issue but chances are this will be delayed until August, when insurance companies are expected to have additional funds and market is expected to be reacting favorably to change in reserve requirement setup. . . .

In the second place, market action forecasts near-term but not important action on reserve requirements. . . . Feeling is when general cut in requirements comes, it will be minor—not so large as to cause a major rise in prices in a hurry. . . . And reclassification of banks in Chicago and New York (predicted here months ago and repeated time and again) is now thoroughly discounted. . . .

Finally, in the third place, market action tells confidence of major investors and professionals in ability of fiscal authorities to control price level. . . . Even on worst war news of recent months, prices slipped only slightly and that reflected marking down of bids rather than selling. . . .

INSURANCE COMPANIES

The allotments on the certificate issue—at 50%, compared with 48% in April—were as expected. . . . Larger allotment due to fact that Treasury decided to allot on a round-figure basis so that $1,587,000,000 of the June certificates were alloted against $1,057,000,000 in April. . . . And types of purchases this time were different too, for the significant conclusion to be drawn from a study of certificate awards is that insurance companies played a much smaller part in this offering than in the April flotation. . . .

In April, the insurance companies had hoards of idle cash, responded on a broad scale to requests from investment bankers and dealers for big subscriptions. . . . In May, they used up more money to buy tap issue. . . . By time June certificate offering came along,

(Continued on page 16)

OUR REPORTER'S REPORT

Subscription books were opened yesterday on the offering of $35,000,000 of 20-year 3½% debentures of the Celanese Corporation of America, marking the first industrial financing to reach the market in some weeks.

The issue met a fair initial reception, but those in the business were quick to realize that despite its appeal the placing of the debentures would require a bit of work due to general market conditions.

It was conceded widely that the offering was priced right, at 99½, but with investors, institutional as well as individuals, a trifle slow on the trigger at the moment, early demand might be said to have been a trifle disappointing.

Reports indicated, however, that buying was brisk on the part of Ohio firms who were experiencing a good call for the debentures.

Primarily it was the same story over again, larger investment outlets showing a reticence to rush things. It was observed in some quarters that once insurance firms began to look the situation over the deal would move out with increased vigor.

(Continued on page 7)

INDEX

Page
Bank and Insurance Stocks 6
Bond Selector 3
Calendar of New Security Flotations. 14
Investment Trusts 7
Municipal News and Notes 8
Our Reporter on Governments 1
Personnel Items 4
Railroad Securities 5
Our Reporter's Report 1
Securities Salesman's Corner 7
Tomorrow's Market — Walter Whyte Says 5
Uptown After 3 12

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Tucker, Anthony & Co. Absorbs Burr-Gannett

BOSTON, MASS. — Burr, Gannett & Co. of Boston announce the dissolution of their firm as of June 30, 1942. I. Tucker Burr, Jr., becomes a general partner, resident in Boston, in the firm of Tucker, Anthony & Co. G. Storer Baldwin and eight other members of the firm's contact personnel have also become associated with the Boston office of Tucker, Anthony & Co., 74 State Street.

Tucker, Anthony & Co. was founded in 1892. The firm early became identified with public utility and industrial financing and entered the investment banking field. For many years, Tucker, Anthony & Co. has been prominent in the underwriting and distribution of public utility, industrial and municipal bonds while maintaining and enlarging its original business as commission brokers.

In addition to Boston and New York, Tucker, Anthony & Co. has offices in New Bedford, Mass., and Rochester, N. Y.

Manages Bache Branch

COLUMBUS, OHIO—Lucas E. Green is manager of the recently opened office of J. S. Bache & Co. at 16 East Broad Street. Mr. Green was formerly in charge of the local office of Orvis Bros. & Co. and prior thereto was in charge of the Columbus office of Merrill Lynch, Pierce, Fenner & Beane with which firm and its predecessors he had been connected for many years.

E. E. Thalmann Dead

Edward Ernest Tnalmann, a partner in Ladenburg, Thalmann & Co., New York City, died at his summer home in Beverly Hills, California. Mr. Thalmann had been active in investment circles for over 30 years, but had recently been partially retired.

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Evidence Accumulates Of Widespread Opposition To Minimum Capital Proposal

Additional factual evidence of widespread dealer opposition to the proposed NASD minimum capital requirement (Article 1, Section 1) is clearly apparent in the correspondence on the subject which we continue to receive in increasing volume each day. Nor is this opposition confined exclusively to the so-called "smaller" firms. Actually, it is strikingly evident that a great many houses which would find it a matter of extreme ease to comply with the suggested minimum capitalizations are equally opposed to establishing such a dangerous precedent in the securities field.

Some of the letters received, in addition to those contained in our issue of June 25, are given below:

DEALER No. 13

As a local dealer and an involuntary member of the NASD I was naturally delighted to see the article by Joseph Haynes in the June 18th issue of the "Chronicle."

Last evening we had a very poorly attended meeting of our local dealers and naturally the sentiment was all very much against particularly Article 1, Section 1, concerning the minimum capital requirements. I may be entirely wrong in my analysis of this situation but it certainly looks as if a few of the larger firms, encouraged by the SEC, are endeavoring to drive all of the small dealers out of the business. It so happens in my case that I am confining my efforts almost entirely to the sale of Keystone Custodian Funds and of course to do business with this firm I have to belong to the NASD. I don't know what can be done, but it certainly seems that the great majority of decent small dealers who must be a majority of the total are against particularly this section, but whether their combined efforts are going to be sufficient to defeat this remains to be seen.

Again as a local dealer, I want to thank the "Chronicle" for publishing this article and I trust that the efforts of your paper may continue to be in sympathy with the small dealers.—(From a Utica, New York, Dealer)

DEALER No. 14

We are most interested in your editorial in the June 18th issue of your publication regarding the financial limitation proposed to be placed on dealers by the NASD.

We sent in our ballot yesterday, and disapproved all of Article 1 amendments and the last one, which would make it necessary for investigated houses to pay part of the expenses. We firmly believe that it is a definite restraint of trade and initiative and regarding the last amendment, we feel that a policeman should pay his own way.

Fortunately, we do not come under the category of the limitation but we certainly would not be in business today if it had been necessary for us to have very much capital to start.

We feel that the small houses are good for the big houses because we not only feed them business, but likewise work a little harder because the very small houses, in which category we were, prior to five years ago, have very little backlog of finances.

Isn't it true that many of the larger houses today started with relatively nothing?

(Continued on page 10)

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Cleveland Bond Club Discusses Outlook

CLEVELAND, OHIO—The annual spring meeting of the Cleveland Bond Club became a forum at which members discussed the general outlook for the securities business and its place in the war economy.

Although reports on the current status of the business from members were gloomy and the effort to tie the investment banking business into the war fund program was roundly criticized, R. V. Mitchell, Vice-President of McDonald-Coolidge & Co., and a governor of the Investment Bankers Association, expressed optimism as to a rapid recovery of the bond business which he declared was essential to the growth of the country. Mr. Mitchell declared that present conditions were similar to the slump in the bond market during the first World War and urged the opinion that the present slump is only a temporary condition.

John S. Fleek, Hayden, Miller & Co., President of the I. B. A., and Hugh McBain, executive manager of the Victory Fund Committee for the district embracing Cleveland, described the task of raising up to fifty billion dollars a year by the War Bond sales and urged the cooperation of the securities industry with the Treasury Department in financing the war.

Four new governors were elected for the Cleveland Bond Club: John D. Burge, Ball, Coons & Co.; Emile A. Legros, First Cleveland Corp.; Herman J. Sheedy, McDonald-Coolidge & Co.; and A. J. Stiver, Saunders, Stiver & Co.

The dinner was preceded by a golf tournament in the afternoon. Low score winner was Al Atkinson, who as a three-time winner was awarded permanent possession of a trophy presented by Scribner & Loehr. Norman Cole, Robert Wood, Oren Koeser, William F. Kurtz and C. B. Merrill were also golf prize winners.

Lewis McDowell With Weston & Co., Boston

BOSTON, MASS. — Lewis D. McDowell, who has been in the securities business since 1915, has become associated with Weston & Co., 10 Post Office Square. Mr. McDowell was formerly stock trader for Paul D. Sheeline & Co., which has discontinued business for the duration since Mr. Sheeline has been called to the service. In the past Mr. McDowell was connected with A. C. Allyn & Co. and Blyth & Co. He served overseas during the first world war.

R. S. Hudson Forms Own Securities Firm

DALLAS, TEX. — Robert S. Hudson has formed R. S. Hudson & Co., Inc., First National Bank Building, to act as dealers in municipal, industrial, public utility and railroad stocks and bonds. specializing in Texas municipal bonds and corporation securities. Mr. Hudson, who is President of the new firm, was formerly Vice-President of Beckett, Gilbert & Co., Inc., which has become inactive for the duration of the war, Messrs. Beckett and Gilbert being on active war duty.

John Huegel To Be Partner In Belden Co.

John P. Huegel will become a partner in Belden & Co., 61 Broadway, New York City, as of July 9th. Mr. Huegel will be a member of the New York Stock Exchange, acquiring the Exchange membership of W. Wallace Lyon.

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Ward, Osgood & Park With Eaton & Howard

BOSTON, MASS. — Effective July 1, 1942, the investment counsel firm of Ward, Osgood & Park combined with Eaton & Howard, Inc., 24 Federal Street and three of the former partners of that firm became officers of Eaton & Howard. Henry DeCourcy Ward and Francis E. Park, Jr., became Vice Presidents and Stuart Osgood, Treasurer,—the latter succeeding W. Elliott Pratt, Jr., who has volunteered for service with the Army Air Corps.

Preceding the formation of Ward, Osgood & Park in 1936, the above partners were in the investment counsel business for a number of years as partners in other organizations.

Eaton & Howard, Inc., with offices in Boston and San Francisco, was founded in 1924 by Charles F. Eaton, Jr., and John G. Howard, who continue to serve as President and Vice President respectively. Other officers are John MacDuffie, II, S. Whitney Bradley, and Robert P. Bullard (San Francisco), Vice Presidents, Houghton Carr, Secretary, and Hollis R. Johnson, Assistant Treasurer.

Eaton & Howard counsels individual and institutional investment accounts and manages the Eaton & Howard Balanced Fund, and Eaton & Howard Stock Fund.

NSTA Officers Will Hold Election Meeting

It is announced by Joseph W. Sener of Mackubin, Legg & Co., Baltimore, that he has called a meeting of the officers, governors, and national committeemen, to be held on Aug. 28 and 29 in Chicago, for the purpose of transacting the regular annual election of officers. This meeting will replace the convention which has been cancelled in cooperation with the National Defense effort. Mr. Sener made it clear that any and all members of the NSTA are welcome to attend these meetings.

Edward H. Welch of Sincere & Co., Chicago, has been appointed by Mr. Sener as Chairman of these arrangements.

All members of the Association are invited to attend the meeting. The Association is planning a complete program for both days, for which there will be a charge of about $10 or whatever the cost to the Association.

G. F. Hulsebosch To Trade For Hunter Co.

Gerard F. Hulsebosch has become associated with Hunter & Co., 42 Broadway, New York City, in their trading department. Mr. Hulsebosch was formerly proprietor of Dimpel, Hulsebosch & Co. Prior thereto he was production manager for Gruntal & Co. and was a partner in F. L. Salomon & Co. Abe Smith, formerly with Dimpel, Hulsebosch & Co., is also joining the Hunter & Co. staff.

COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
William B. Dana Company
Publishers
25 Spruce Street, New York
BEekman 3-3341
Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, July 2, 1942

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

Subscriptions in United States and Possessions $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year. NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

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Equitable Securities Purchases Farm Paper

Brownlee O. Currey, President of Equitable Securities Corporation of Nashville, Tenn., announces that his company has purchased all of the stock of "Southern Agriculturist," a Nashville monthly agricultural paper with a circulation of 977,000. Mr. Currey said that the purchase was made as an investment and no securities will be offered to the public. The stock was purchased from members of the Rankin family, who have owned the paper since 1904. Mr. Currey likewise says:

"Operations will be carried on with the present personnel and headquarters of the firm will continue to be located at Nashville. Efforts of the new owners will be directed toward improving the publication in every way possible."

Officers under the new ownership will be as follows: Mr. Currey, President; A. B. Le Strange, Vice-President, advertising manager and manager of the New York office; W. M. Springer, manager of the Chicago office; H. G. Walter, manager of the Detroit office, and Kenneth Stansfield, manager of the southern advertising department. The editorial personnel will continue as at present.

Hayden, Stone Branch

Hayden, Stone & Co. announce the opening of a seasonal office at the Westchester Country Club, Rye, N. Y. The new office is under the management of Dr. L. Berger, with Frank E. Gernon as resident partner.

Hugh Knowlton With Govt.

Kuhn, Loeb & Co. announce that Hugh Knowlton has resigned as a member of that firm, effective as of June 30, to enter Government service as Vice-President of U. S. Commercial Company, a subsidiary of Reconstruction Finance Corporation.

Mackay Co. Combines With Laidlaw & Co.

Two old Wall Street firms, whose histories trace back a hundred years or more, combined their businesses July 1, when the organization of Mackay & Co. joined forces with Laidlaw & Co., 26 Broadway, New York City.

Under the new arrangement, Captain Malcolm S. Mackay, senior partner of Mackay & Co. who is on active flying duty with the United States Marine Corps, becomes a special partner of Laidlaw & Co. while in the service. Practically the entire staff of Mackay & Co., including three former partners and other key men, have associated with the Laidlaw organization.

Laidlaw & Co. is one of the oldest private banking firms in New York, its business having been established in 1842. Mackay & Co., whose original partners came from the old firm of Vermilye & Co., traces its history through that firm back to 1830. Both firms have been members of the New York Stock Exchange.

Mackay & Co. while serving a national clientele and many foreign accounts have had an office only in New York. Laidlaw & Co., with headquarters at 26 Broadway, have for many years maintained a wire system with branches at Washington, D. C., Boston, Mass., Oil City, Pa., Bloomfield, N. J., and in Canada at Montreal and Toronto.

Partners of Laidlaw & Co. now are Edward Roesler, Gilbert U. Burdett, Elliot C. R. Laidlaw, Louis W. Noel, Edward Roesler, Jr., Lorraine F. Pitman, Daniel E. MacLean and William F. Van Deventer, as general partners and Isabella W. Laidlaw, Henry McSweeney and Malcolm S. Mackay, as special partners.

Former members of the Mackay organization who will be associated with Laidlaw & Co. are Marshall W. Pask, Hugh Peters, David C. Thomas, Henri Dardier, Robert A. Gilbert, Lucius Maltby, Elmer E. Bigoney, Wm. B. Smith 2nd, Brantley E. Tuttle, Joseph Docter, Harvey V. Shultis and George Jaeger.

Toronto Stock Exch. Trading Down Sharply

In his address to members of the Toronto Stock Exchange at their annual meeting on June 23, T. A. Richardson, President of the institution, reported that the number of shares which changed hands on the floor during the 12 months ended May 31 was 48,000,000, a drop of 15% from the previous year and less than half of the volume of two years ago. However, he added, the Exchange showed an operating profit of $3,300 before depreciation. Mr. Richardson further reported that the liquid position of the Exchange is $52,043 and, in view of the heavy mortgage payments provided under a new amortization agreement, which will amount to $24,295 a year for 15 years, assessments will have to be made from time to time. Assessments during the past year amounted to $400, a reduction of $100 from the previous year. President Richardson also stated that the operating costs of the Exchange have been kept to a minimum and that the annual payroll has been reduced to $56,755 from $61,051 in the previous fiscal year. The Exchange received $11,570 from listings during the past year, an increase of $1,000 over the previous years but a considerable decline from former years, Mr. Richardson stated.

His reelection as President of the Exchange for another term was reported in these columns June 25, page 2382.

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THE BOND SELECTOR

BROWN COMPANY

Reorganization Plan of This Large Pulp and Paper Manufacturer Discussed; Revenues in 1941 At New High Level

Consummation of the reorganization plan of Brown Company on Dec. 1, 1941, effected an exchange of some $21,000,000 of 5½% first mortgage bonds due in 1946 and 1950 into $12,849,000 new first mortgage 5s due 1959, new preferred and new common. At the same time the company received a $4,500,000 serial loan from Reconstruction Finance Corporation, which ranks senior to the first mortgage bonds.

Brown Company, with plants in New Hampshire, makes highly purified Alpha cellulose fibre pulp, paper towels, kraft wrapping paper, purified cellulose fibres for high grade paper, rayon and nitro cellulose. Other items include "Inco" products for inner soles and counter for shoes; "Cellate" and "Duracel" super-strength pulps and papers for sandpapers, tags, bags, etc. Pulp sales represent slightly more than two-thirds of consolidated sales. Of the pulp, more than 50% consists of company's own lines of high grade pulp used in manufacture of high quality papers, cellophane, rayon, and many other similar products, the remainder of the pulp output being standard grades of sulphate and sulphite.

Brown Company's properties include two bleached sulphite pulp mills with combined capacity of approximately 165,000 tons per year of regular and superior grades; two paper mills with combined capacity of about 60,000 tons per year of specialty kraft papers and towels; a chemical plant for the manufacture of chlorine and caustic used in pulp mills; mills for the manufacture of "Onco" products, etc. Timber property includes 500,000 acres of freehold timberland in New Hampshire, Maine and Vermont, estimated to be sufficient for 50 years of capacity production.

Brown Corporation, a wholly-owned subsidiary, owns a sulphate mill at La Tuque in Quebec, having an annual capacity of 120,000 tons of bleached and unbleached sulphate pulps. It owns approximately 1,000,000 acres freehold timberland and holds under license some 2,260,000 acres. Brown Corp. and Shawinigan Water & Power each own 50% of the common stock of St. Maurice Power Corp., whose powerhouse at La Tuque is constructed to accommodate six units capable of generating 44,500 H.P. each. Four units with aggregate capacity of 178,000

(Continued on page 13)

Paine, Webber Co. And Jackson-Curtis Merged

Jackson & Curtis and Paine, Webber & Co. announce their consolidation as of June 29, 1942 to form the firm of Paine, Webber, Jackson & Curtis. The new firm holds memberships in the New York Stock Exchange, the New York Curb Exchange, the Boston Stock Exchange, the Chicago Stock Exchange, the Chicago Board of Trade, and 12 other leading stock and commodity exchanges. In addition to its brokerage business, it will carry on the general investment banking business developed by the predecessor firms during more than 60 years of service to investors.

All partners of Paine, Webber & Co. and Jackson & Curtis will become partners of Paine, Webber, Jackson & Curtis. General partners are: Charles F. Adams, Jr., Archibald Blanchard and Stanwood G. Bradlee, all of Boston; Clarence J. Bridgen, of Chicago; Frank H. Brown, of Boston; Dan Byrne, of Detroit; Albert P. Everts, of Boston; John W. Foster, of New York; Edmond E. Hammond and Roscoe A. Hayes, of Boston; Frank R. Hope, of New York; Morris F. LaCroix, of Boston; V. Russell Leavitt, of Hartford; Herbert Levy, of Chicago; David J. Lewis and Lloyd W. Mason, of New York; R. C. Mees, of Minneapolis; Edwin A. Merrill, James J. Minot and James Nowell, of Boston; M. J. O'Brien, of Chicago; William A. Pidgeon, Alexander R. Piper, Jr. and Stuart R. Reed, of New York; Edward J. Samson, of Boston; Charles Schudt and Frank R. Schumann, of New York; Reuben Thorson, of Chicago; A. Winsor Weld, of Boston; and Maurice M. Wheeler, of New York. Limited partners comprise William A. Coolidge, Randolph C. Grew, Lawrence Hemenway, Walter Hunnewell and Albert P. Everts as trustee under the will of F. Ward Paine, all of Boston. Policies of the successor firm will be directed by a management committee of ten, consisting of five senior partners from each of the merging firms.

Paine, Webber, Jackson & Curtis will maintain offices in Boston, at 24 Federal Street, New York City at 25 Broad Street, Chicago, Akron, Cleveland, Concord, N. H., Detroit, Duluth, Elmira, Grand Rapids, Hartford, Ithaca, Lynn, Mass., Milwaukee, Minneapolis, New Haven, Philadelphia, Providence, Springfield, Mass., St. Paul and Worcester. All offices are inter-connected by means of a private wire system.

This consolidation carrying out plans announced on May 23, combines the business of two long established firms with similar backgrounds of financial strength and positions of leadership in the investment field. Founded in Boston in 1879 and 1880, respectively, Jackson & Curtis and Paine, Webber & Co. developed into large national organizations prominent in the underwriting and distribution of securities, as well as serving as brokers for transactions in listed securities and commodities.

St. Louis Ry. Interesting

The current situation in the securities of St. Louis Southwestern Railway Co. offers interesting possibilities, according to a circular just issued by Pflugfelder, Bampton & Rust, members of the New York Stock Exchange, 61 Broadway, New York City. Copies of the circular may be obtained from Pflugfelder, Bampton & Rust upon request.

Paul Revere Rides Again

Paul Revere, a direct descendant of Paul Revere of Revolutionary fame, and formerly with the Underwriters Trust Company, 50 Broadway, New York City, is now serving as a captain in the United States Army.

DE.

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RAILROAD
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First Mortgage and Refunding
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John O'Brien Forms Own Firm In Chicago

CHICAGO, ILL. — John J. O'Brien, III, formerly a partner in the New York Stock Exchange firm of Wayne Hummer & Co., announces the formation of John J. O'Brien & Co. to conduct a general brokerage and investment business.

The new firm, with memberships in the Chicago Stock Exchange and Chicago Board of Trade, is located in suite 700, Continental Illinois National Bank Building. Accounts will be cleared through the New York Stock Exchange firm of Thomson & McKinnon.

Mr. O'Brien has been connected with the brokerage and banking business since 1926. He is a past President of the Stock Brokerage Associates in Chicago and is well known in investment circles.

Rail Situation Attractive

An analysis of Chicago, North Shore & Milwaukee Railroad Company, which offers an interesting situation at the present time, has been prepared for distribution by Fuller, Cruttenden & Company, 209 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange. Copies of the analysis may be obtained from Fuller, Cruttenden & Co. upon request.

Elmer Hassman Joins Staff Of A. G. Becker

CHICAGO, ILL. — Elmer G. Hassman, formerly manager of the municipal department of the Chicago office of Lazard Freres & Co., is now in the municipal bond department of A. G. Becker & Co., Incorporated, 120 South La Salle Street.

WE MAINTAIN A POSITION
IN ISSUES OF
Chicago North Shore & Milwaukee
Railroad Company

E. H. Rollins & Sons
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Chicago, North Shore & Milwaukee RR.

First Mortgage 5s, 1936
First & Refunding 6s, 1955
First & Refunding 5½s, 1956

"The Great Lakes Naval Training Station, already the largest of its kind in the world, is to be expanded approximately 50%, it was announced yesterday in Washington, D. C., by Secretary of the Navy Frank Knox.

"He said facilities will be increased to accommodate 20,000 more men. Present capacity is 46,000. This expansion, with three naval stations now under construction at Port Deposit, Md.; Lake Pend Oreille, Idaho, and Lake Seneca, N. Y., will complete the navy's program for recruit training facilities.

"Aides of Capt. R. D. Spalding, public works officer at Great Lakes, said the expansion will mean the employment of 10,000 additional civilian workers, and the acquisition of additional land west of the station. The amount of money to be spent is not yet known, nor can it be stated when work will start."

—*Chicago Tribune, June 17, 1942.*

This means additional business for Chicago, North Shore and Milwaukee RR. which serves the Great Lakes Naval Training Station as well as Fort Sheridan. Both these centers have been enlarging their facilities, resulting in increased military and civilian traffic. In addition, curtailment of automobile use will be of increasing benefit to the company since it serves a fairly densely populated area.

Chicago, North Shore & Milwaukee owns and operates an electric railroad connecting Chicago with Milwaukee, and serving numerous intermediate points including Racine, Kenosha, Waukegan and Evanston. The right of way embraces 113.59 miles of road and 264.62 miles single track equivalent. The company also serves Waukegan with local street car and motor coach service, and operates a city line in Milwaukee from the city limits to the center of the city, over which the main line trains enter Milwaukee. Through leases with the Chicago Rapid Transit Company and Chicago, Milwaukee & St. Paul RR., the company has access to the Loop District of Chicago over the elevated structure.

Rolling stock consists of 188 steel passenger cars, 52 merchandise dispatch cars, 5 refrigerator cars, 64 freight cars, 7 electric locomotives, 21 work cars, 9 motor trucks and trailers and 22 motor coaches. During 1941, two new articulated "Electroliners" were purchased, fully paid for, and placed in operation. About 50 steel passenger coaches were reconditioned and modernized, and six new motor coaches were purchased for operation in Waukegan.

Passenger traffic is by far the largest revenue classification. From a peak of 17,405,000 revenue passengers and 1,423,000 tons of freight in 1927, traffic declined to 9,640,000 passengers and 1,005,000 tons of freight in 1933. Attendant operating losses resulted in the company being unable to meet its obligations, and receivers were appointed Sept. 30, 1932. Traffic increases were reported from 1933 through 1937, but a strike of seven weeks' duration in 1938 reduced traffic to 1933 levels. Revenue passengers in 1941 of 13,-

(Continued on page 16)

Sperry With OPA

CHICAGO, ILL. — Leonard M. Sperry has been appointed a price specialist with the OPA. Mr. Sperry was formerly co-manager of the local office of Bear, Stearns & Co., 9 South La Salle Street, and prior thereto was a partner in Stein, Brennan & Co., which was consolidated with Bear, Stearns.

Sam B. Ullman, also formerly a partner in Stein, Brennan & Co. and with Bear, Stearns & Co. since the merger, will replace Mr. Sperry as co-manager with L. Montefiore Stein.

Heaton In Govt. Post

CHICAGO, ILL. — William E. Heaton is on leave of absence from Sills, Troxell & Minton, Inc., 209 South La Salle Street, with which he has been associated for nine years, to enter the office of the Alien Property Custodian in Chicago.

In The Armed Forces

David G. Skall, proprietor of David G. Skall & Co., Union Commerce Building, Cleveland, Ohio, is discontinuing his investment business for the duration and is entering the U. S. Army air force.

Howard W. Feight, formerly of Greene & Brock, Dayton, Ohio, is entering the armed service.

Lamartine V. Lamar, partner in Lamar, Kingston & Labouisse, Canal Building, New Orleans, La., is on leave of absence from the firm for the duration and is on active duty as Lieutenant-Commander in the U. S. Navy.

Richard Morey, Jr., who has been in charge of the municipal trading department of Gatch & Co., 418 Olive Street, St. Louis, Mo., has been appointed a lieutenant in the U. S. Navy and is reporting for active duty at the Naval Training School, Cornell University, Ithaca, N. Y.

Paul Vincent Hall, New York Stock Exchange floor partner of Sutro Bros. & Co., 120 Broadway, New York City, has been commissioned a captain in the United States Army Air Corps and ordered to report to the Interceptor School at Orlando, Fla. He is a veteran of the last war.

Sidney A. Siegel, partner in Siegel & Co., 39 Broadway, New York City, entered the armed services on June 30, 1942. The firm will continue under the guidance of Nathan A. Krumholz, Mr. Siegel's partner.

Andrew Varick Stout, Jr., Gardner Dominick Stout, Sheldon E. Prentice and Bayard Dominick III of Dominick & Dominick, 14 Wall Street, New York City, are in active service with the armed forces.

W. Carroll Mead, partner in Mead, Irvine & Co., First National Bank Building, Baltimore, Md., expects to enter the armed services shortly, and has appointed Preston A. Taylor, recently admitted to partnership in the firm, to act as his alternate on the Baltimore Stock Exchange during his absence. John B. Ramsay, Jr., also a partner in the firm, is now serving as a lieutenant in the United States Navy. J. Elliott Irvine, who has retired from partnership in the firm, has been commissioned a major in the army; he has also resigned his chairmanship of the Southeastern Group of the Investment Bankers Association, being succeeded in his I. B. A. post by Edward C. Anderson, Scott & Stringfellow, Richmond, Va.

Future of Canadian Oil

An interesting and most attractive brochure, entitled "Your Future in Oil," describing the petroleum industry in Canada, has been prepared for distribution by the Associate companies of Clifton C. Cross. The booklet contains a detailed description of the oil fields in the Province of Alberta, present and past history of the drilling, development of processes to obtain the oil, conservation of petroleum deposits, oil industry financing, and royalty features of the fields. Illustrated with interesting charts and diagrams, the book contains production figures from Turner Valley crude wells, and an analysis of the oil itself.

Copies of the brochure may be had upon request from Clifton C. Cross & Co. (Quebec), Limited, 507 Place d'Armes, Montreal, Quebec, Canada.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Edward F. Page** has become associated with **Bond & Goodwin, Inc.**, 30 Federal St. Mr. Page was formerly a Statistician for Furst & Co.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Ellison G. Day, Jr.**, has joined the staff of **Draper, Sears & Co.**, 53 State St.

CHICAGO, ILL. — **Bacon, Whipple & Co.**, 135 South La Salle St., announce that **John W. Sargent** has become associated with them in their statistical department. Mr. Sargent was previously associated with the Chicago office of Jackson & Curtis and prior thereto with David A. Noyes & Co.

(Special to The Financial Chronicle)

CINCINNATI, OHIO — **Edward H. Morgan** has become connected with **Merrill Lynch, Pierce, Fenner & Beane**, Union Trust Building. Mr. Morgan was formerly with W. D. Gradison & Co., W. L. Lyons & Co., First Cleveland Corporation, and W. E. Hutton & Co.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **William E. Baker, Perry T. Blaine, Frank L. Walker**, and **Russell L. Zimmer** have become associated with **Borton & Borton, Inc.**, Union Commerce Building. All were previously with the local office of P. E. Kline, Inc.

(Special to The Financial Chronicle)

MORRISON, ILL. — **Wilson M. McKim** has become affiliated with **Wayne Hummer & Co.**, 105 West Adams St. Mr. McKim was recently with H. J. Randall and in the past was in business for himself.

MUNICIPAL
RAILROAD
PUBLIC UTILITY
AND INDUSTRIAL
SECURITIES

THOMPSON ROSS
SECURITIES CO.
Incorporated
CHICAGO

(Special to The Financial Chronicle)

WINSTON-SALEM, N. C. — **Alexander S. Hanes** has become associated with **Harris, Upham & Co.**, whose main office is located at 14 Wall St., New York City. Mr. Hanes was formerly local manager for Smith, Barney & Co.

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Tomorrow's Markets Walter Whyte Says—

Refusal of market to recognize Middle East menace is no guaranty against new declines. Technical signs still not unfavorable. Stops still apply.

By WALTER WHYTE

In the week just past, the one that ended last night, Wednesday July 1, the market not only managed to stop its decline but actually reversed its trend to advance a couple of points. This bore out the forecast made here last week that "... before the week is over they would be still higher." This was the more gratifying if for no other reason than the doleful news of the sickening collapse in the Middle East.

* * *

It demonstrated again that cold logic, no matter how well reasoned out, has little place in this business of buying and selling securities for profit. For if news was to be evaluated at its face value then the market was certainly entitled to a decline of more than minor proportions.

* * *

This gives rise to another thought. With the market advancing in the face of the bad news the theory that it has reached a thoroughly sold out position is daily gaining new adherents. If I've never learned another thing about what makes markets tick I've learned one thing: Never trust majority opinion. It's nice to see a market stand up and be lambasted with one piece of bad news after another without falling on it's face. But not even markets, no matter how strong their technical position, can stand up forever in the barrage of bad news.

* * *

Obviously the big worry is the war, not only in the Middle East but all over the globe. We Americans are certain we will win. But if we want to be cold blooded realists we must face the certainty that it won't be easy or that we may even lose.

* * *

Last week we read optimistic statements that we have reached a monthly plane production figure of 4,000 and a monthly tank output of 1,500. This is good. But how much of this added production is reaching the fighting fronts? Every day we read that more ships have been sunk by enemy submarines. At this writing sinking of ships is continuing at a disturbing rate. It is almost certain that some of our increased production is now at the bottom of the sea.

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The battle for the Middle East is much more important than we realize. I have no intention of rehashing anybody's faults. God knows I know too little of military strategy to pose as an expert. Still we in a market that reflects world changes must recognize what these changes may mean. The threat to Egypt has more importance than just another minor setback. It would mean the loss of Alexandria, the only large British Naval base in the Mediterranean. It would give the Axis the use of Alexandria as a base for drives on Iraq, Syria and Palestine, from which a flanking movement into South Russia toward the Caucasian oil fields could start. Malta would be completely isolated. Our supply route to Russia through Iran by way of the Indian Ocean would be in serious danger.

* * *

Obviously none of this lends itself to optimistic interpretations and the fact that the market has so far refused to look at it in such a light is no guaranty of it continuing to do so.

* * *

The real and basic improvement in our market will only

(Continued on page 12)

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on June 29 that the tenders for $300,000,000, or thereabouts, of 91-day Treasury bills to be dated July 1 and to mature Sept. 30, which were offered on June 26, were opened on June 29 at the Federal Reserve banks.

The details of this issue are as follows:

Total applied for—$671,366,000.

Total accepted—$301,758,000.

Range of accepted bids (excepting one tender of $1,000,000):

High, 99.940; equivalent rate approximately 0.237%.

Low, 99.907; equivalent rate approximately 0.368%.

Average price, 99.909; equivalent rate approximately 0.360%.

[39% of the amount bid for at the low price was accepted.]

Telephone Order Clerk

Competent telephone order clerk wishes position in office or on floor of New York Stock Exchange. Thoroughly experienced. Draft exempt. Box CTO, The Commercial & Financial Chronicle, 25 Spruce St., New York, N. Y.

St. Louis Southwestern Ry. Co.
Securities

Circular on Request

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Late last week there was a notable quickening of interest in all sections of the rail list, high lighted by strengthening of quotations for equities and second grade rail bonds. The reorganization section, which had featured all previous rail markets for some time past, was more selective than has been its wont. Purchasers were apparently being attracted by values, abandoning the indiscriminate and "rumor" buying that had been in evidence earlier in the year.

This change in attitude may be traced to the stalemate in the reorganization picture. Major interest payments are presumably out of the way until around the end of the year, and even then will not be so widespread as the mid-year disbursements. Tax relief with respect to allowable capitalization bases after reorganization is still up in the air, and apparently will not be acted on until the late summer. Finally, on the basis of present indications, reorganization progress will be held in abeyance until one or more of the cases now before the Supreme Court is settled. This will not be until late fall at the earliest. Interest in defaulted bonds, therefore, is largely predicated on the renewed feeling that the war will be a long one, and buying is confined largely to those sections of the list where a long war may result in better reorganization treatment or substantial cash payments.

The most notable feature of the recent market has been the interest in low grade equities which have been under continuous pressure for more than a year. This speculative turn was set off by the phenomenon of Erie paying a common dividend. After a move of this sort there is a feeling that anything can happen. This feeling was supplemented by the publicity given late in the week to the wide earnings improvement being experienced by New York Central, accompanied by resurrection of the statement made by Mr. Williamson at the company's annual meeting in May to the effect that consideration would be given during the coming year to requests for dividend action. Also, the usual quarterly rumors as to possible dividend action on Chicago Great Western preferred at the July meeting began to circulate. Of such things are markets made.

The question of possible dividend action by some of the marginal carriers is naturally becoming acute, with management under severe pressure from stockholders who have been starved for years. It is hard to sit by and see business at an all time high and, in many instances, record earnings, and still face a further indefinite period of dividend drought. Whether or not there will be a break in the dam is difficult to say at this time, but with all due respect to the rights of the stockholders there is no question but that the wisest policy would be to continue the conservative practices of the past few years.

Railroad management is fully aware of the difficulties to be faced in the post-war years, with non-rail competition intensified, industries dislocated by the war-time construction, and many quarters convinced that a deflationary period is inevitable. In an attempt to anticipate these difficulties railroad management in general has been engaged in a program of debt reduction with a view towards bringing fixed charges down to a level commensurate with non-boom earnings potentialities. If this program is abandoned now it may be accepted as almost a foregone conclusion that the post-war years will witness another wave of reorganizations. Certainly any move on the part of railroads in a marginal earnings position to pay dividends will be frowned on by the ICC and may well affect the ability of such roads to obtain temporary credit accommodations if such are necessary after the war boom.

Activity and strength in second grade rail bonds may obviously be attributed to the unfavorable war news and the consequent evaporation of the premature peace psychology that had been depressing the market. The renewed interest in the group is in recognition of the fact that a large number of marginal carriers should be able to reduce their debt structures to a level impervious to depression conditions if present earnings continue for another two years or so. This confidence, however, is not compatible with any drastic change in the financial programs followed in recent years. If the boom earnings are to be used for dividends rather than for debt retirement, the spectre of eventual reorganization will again be raised, spurring institutional holders to greater efforts to clean their portfolios of questionable rails at the earliest possible opportunity. Speculators and investors in second grade rail bonds are therefore cautioned to watch carefully for any signs of change in management financial philosophy. Second grade rails are unduly depressed, there are many outstanding bargains available, and income and price enhancement potentialities are attractive. There is every reason to expect a continuation of the uptrend in prices, but this could well give way to sharp declines in individual issues where dividend payments were resumed. Another factor to be considered is that any broad movement toward payment of dividends by marginal roads would almost certainly be the signal for renewed pressure for higher wages.

Railroad Reorganization Securities
(When Issued)

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We maintain net trading markets in most of the medium-priced Rail Bonds, particularly obligations of

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Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜; low—14¾; last 34½.

CANADIAN OIL ROYALTIES
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DIVIDEND NOTICES

AMERICAN CAN COMPANY

COMMON STOCK

On June 30th, 1942 a quarterly dividend of seventy-five cents per share was declared on the Common Stock of this Company, payable August 15th, 1942, to Stockholders of record at the close of business July 23rd, 1942. Transfer books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary.*

COLUMBIA GAS & ELECTRIC CORPORATION

The Board of Directors has declared this day the following dividends:

Cumulative 6% Preferred Stock, Series A
No. 63, quarterly, $1.50 per share
Cumulative Preferred Stock, 5% Series
No. 53, quarterly, $1.25 per share
5% Cumulative Preference Stock
No. 42, quarterly, $1.25 per share

payable on August 15, 1942, to holders of record at close of business July 20, 1942.

DALE PARKER
June 30, 1942 *Secretary*

Electric Bond and Share Company

$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment August 1, 1942, to the stockholders of record at the close of business July 6, 1942.

L. B. WIEGERS, Treasurer.

TRIUMPH EXPLOSIVES, Inc.

The Board of Directors has declared a quarterly dividend of 5 cents per share and an extra dividend of 2½ cents per share on the common stock, payable August 1, 1942, to stockholders of record on July 10, 1942.

G. H. KANN, *President*
June 30, 1942

$35,000,000 Celanese Debentures Offered

Dillon, Read & Co. and Glore, Forgan & Co. headed an underwriting group which offered July 1 an issue of $35,000,000 Celanese Corp. of America 3½% debentures, due July 1, 1962, at a price of 99½ and accrued interest.

Net proceeds from the sale of the debentures will be applied to the redemption of the outstanding $24,700,000 of 3% debentures due Aug. 1, 1955, and to the discharge of the outstanding $3,000,000 of bank loans maturing serially from 1943 to 1945; with the balance initially becoming part of the corporation's general funds. It is expected that an amount in excess of such balance will be applied directly or through subsidiaries to the construction and completion of plant additions and improvements and to other capital expenditures.

The corporation has carried out during recent years an extensive plant expansion program. During the five-year period, 1937-1941, expenditures of the corporation and its wholly owned subsidiaries for plant additions, machinery, equipment and improvements were approximately $32,500,000. During the same five-year period similar expenditures of Celluloid Corp., which was merged into Celanese Corporation last year, were approximately $2,300,000. Substantial further expansion of plant facilities, including construction of new plants, is in progress and under consideration.

Upon completion of the financing, the corporation's funded debt will be consolidated into a single debenture issue of $35,000,000, with the maturity extended to 20 years.

A sinking fund for the new debentures is scheduled to retire $4,250,000 of the issue by July 1, 1952, and an additional $22,000,000 of the issue before maturity. The debentures are to be redeemable for the sinking fund at 100, and otherwise are redeemable at prices ranging from 102 through July 1, 1944, to 100 after July 1, 1958.

Celanese Corporation is the largest producer of cellulose acetate yarn in the United States and also manufactures fabrics containing such yarns. As a result of the Celluloid merger, the business of the corporation now includes the manufacture and sale of plastics and other related products. It is also engaged to an increasing extent in the production of chemicals and by-products. The corporation and its subsidiaries obtain substantially all of their raw materials, conduct all of their manufacturing activities, and make substantially all of their sales, in North America.

SEC Adopts New Form For Inv. Companies

The Securities and Exchange Commisison announced on June 19 the adoption of a registration form under the Investment Company Act of 1940 for unincorporated management investment companies currently issuing periodic payment plan certificates. This form is the third detailed registration form to be adopted under the Investment Company Act. The Commission's announcement states:

"The form consists entirely of appropriate items of Form N-8B-2, the form for registration of unit investment trusts, and the policy items of Form N-8B-1, the general form for registration of management investment companies.

"The financial statements required by the form are the same as those required by Form N-8B-2. Article 6-A of Regulation S-X has been amended so as to make that article applicable to unincorporated management investment companies issuing periodic payment plan certificates.

"The registration form will not only be available for registration of unincorporated management companies issuing periodic payment plan certificates under the Investment Company Act of 1940, but it is also contemplated that it may be used with certain additional information for registration of securities of such companies under the Securities Act of 1933.

"Copies of the form, which is known as Form N-8B-3, are being sent to all unincorporated management investment companies to which it is applicable. Additional copies of the form may be obtained from the Publications Unit of the Commission.

In connection with the adoption of Form N-8B-3, the Commission amended Rule N-8B-2 and adopted a new rule, Rule N-8C-3. Rule N-8C-3 provides for the filing under the Investment Company Act of copies of material already filed under other statutes administered by the Commission in lieu of a registration statement on Form N-8B-3.

Joseph Higgins Dead

Joseph Edward Higgins, formerly an active trader on the New York Stock Exchange and head of his own brokerage firm in New York City, died at his home after a long illness, at the age of 55. Mr. Higgins, who had retired from business, had made a fortune in radio stock operations.

FINANCIAL NOTICE

Notice to the Holders of:

Kingdom of Denmark

Twenty Year 6% External Gold Bonds, Due January 1, 1942
Thirty-Year 5½% External Loan Gold Bonds, Due August 1, 1955
Thirty-Four Year 4½% External Loan Gold Bonds, Due April 15, 1962

City of Copenhagen

Twenty-Five Year 5% Gold Bonds, Due June 1, 1952
Twenty-Five Year 4½% Gold Bonds, Due May 1, 1953

Danish Consolidated Municipal Loan

Thirty-Year 5½% External Sinking Fund Gold Bonds, Due November 1, 1955
Twenty-five Year 5% External Gold Bonds, Due February 1, 1953

Mortgage Bank of the Kingdom of Denmark

(Kongeriget Danmarks Hypotekbank)
Forty-five Year 5% Sinking Fund External Gold Bonds Series IX, of 1927
Due December 1, 1972

The undersigned Minister of Denmark in Washington makes the following statement for the information of bondholders of the above-described issues:

Arrangements have been made whereby, until further notice, interest for the six months' period ended June 30, 1942, on bonds of the above-named Kingdom of Denmark 6% Loan will be paid to holders, other than residents of Denmark, at the rate of 6% per annum on the principal amount. In the absence of coupons covering this payment, bonds should be transmitted at the owner's risk and expense direct (or through a local bank) to the Fiscal Agent, The National City Bank of New York, Coupon-Paying Department, 20 Exchange Place, New York, N. Y. Each of the bonds will be stamped with the notation that the holder thereof acknowledges receipt in full of all moneys due or payable on account of interest on the principal amount for the six months' period ended June 30, 1942. Thereupon the bonds will be returned, by Registered Mail insured, at the owner's risk and expense, together with remittance for interest (less shipping-expenses).

Bonds presented to the Fiscal Agent for this payment must be accompanied by an appropriate Letter of Transmittal, a supply of which may be obtained at the office of the Fiscal Agent.

The interest payment referred to will be subject to such licences as may be granted to the Fiscal Agent by the United States Treasury.

In conformity with my announcement of May 22, 1942, I purpose to make subsequent announcements with a view to keeping bondholders informed of further developments relating to the above-described loans.

HENRIK KAUFFMANN
Envoy Extraordinary and Minister Plenipotentiary
of His Majesty the King of Denmark

Washington, D. C., June 30, 1942.

Bank and Insurance Stocks

This Week — Bank Stocks

Bank statements for the June 30 call date, which will begin appearing the first week in July, will not show much change in indicated earnings coverage of dividends, but whatever net improvement is shown will add to the increased confidence generated by maintenance of dividends by leading banks for the second quarter despite higher taxes.

Since publication of the April statements, which indicated that first quarter earnings were affected by anticipatory provision for higher taxes, the House Ways and Means Committee has recommended a 16% surtax, or combined normal and surtax of 40%, as compared with the original Treasury proposal of a 31% surtax, or 55% combined rates, both comparing with 31% combined normal tax and surtax for 1941. The probability now is strong that a 16% surtax will be enacted, which would be far less serious to the banks than a 31% rate, although still quite an increase compared with the 7% rate last year.

Banks which accrued taxes, therefore, in the first quarter in the expectation of 55% combined rates would now be justified in accruing at the lower probable rates for the second quarter. Thus, where these tax accruals sharply affected indicated earnings, such as in the case of Guaranty Trust, somewhat better indicated profits should be shown for the second quarter. Bank practice as to provision for taxes apparently has varied widely, some charging current earnings and others debiting existing reserves or general contingency reserves normally charged against earnings. All leading banks, however, are understood to have made adequate provision for taxes, and some, over-provision.

Continued expansion in earning assets should also assist earnings to make a better showing. Since April 1, 1942, earning assets of New York City member banks have increased only $136,000,000, but that brings the total gain since Dec. 31, 1941 to $379,000,000, and compared with a year ago, earning assets now stand $726,000,000 higher, or 6% expansion without the large scale Government war financing that is coming beginning in July.

For the second quarter of 1942, holdings of Government securities have nevertheless increased $524,000,000, compared with only $109,000,000 gain in the first quarter of 1942 and net decline of $53,000,000 in the last half of 1941. Most of the recent expansion in Governments has been in short term issues, in Treasury bills and certificates of indebtedness, which have been increased $422,000,000 in the second quarter, compared with $195,000,000 increase in the same period in holdings of notes and $260,000,000 expansion in holdings of bonds. Holdings of certificates have undoubtedly further expanded in view of the latest $1,500,000,000 offering, as the maturity definitely appeals to New York banks. Holdings of guaranteed issues have declined $353,000,000 in the second quarter of 1942, reflecting large maturities.

This expansion in Governments however, has been offset to some extent by the decline in loans and "other" securities. Commercial loans have dropped $206,000,000 (7%) since April 1, reflecting liquidation of inventory loans and the difficulty of replenishing large inventories because of priorities and delivery problems. This deflation has wiped out nearly all of the first quarter bulge in commercial loans, which had carried the total to the highest levels in over a decade. Nevertheless, commercial loan volume still is $356,000,000 (16%) above that of a year ago, and this is being reflected in better interest and discount earnings from loans.

Holdings of "other" securities, mainly municipals, have also declined recently, and are now $171,000,000 lower compared with April 1, 1942 volume. However, whatever volume is lost through maturities or sales of "other" investments is being substantially more than offset by expansion in holdings of U. S. Government obligations.

Deposits are usually swelled as of June 30 by large float, but as of June 24, 1942, deposit volume was running $529,000,000 lower (3%) for the second quarter and $625,000,000 lower (4%) for the 12 months. The chief pull on deposits for the second quarter has been withdrawals by the Treasury from Government war loan deposit accounts, U. S. Government deposits showing a decline of $553,000,000 for the second quarter. Banks are currently subscribing for their Government securities largely by the "book credit" method, whereby the Government is credited in its war loan account with a deposit for the amount of the subscription. Subsequently, however, as the Treasury needs the funds for expenditures, it draws on these balances, and most of it is being spent in other Federal Reserve districts and is not returning to New York banks.

Balances of banks carried with New York institutions have been quite steady recently and actually show small gains for the second quarter ($18,000,000 in domestic bank deposits and $23,000,000 in foreign bank balances). With excess reserves of New York City member banks down to $485,000,000, the lowest since 1938, it has been feared that withdrawals of bankers balances for the purpose of expanding earning assets, (largely Governments) would create a serious deficiency in reserves at New York. In fact, one of the primary reasons for the bill empowering changes in reserve requirements unilaterally is to correct this maldistribution of excess reserves. Thus far, however, bankers balances have not been as much of a drain on New York reserves as the process of Treasury borrowing in New York and spending elsewhere, which has been mainly responsible for the shrinkage in New York excess reserves to about half of their Dec. 31, 1941 total.

Ordinarily, shrinkage in excess reserves would mean higher money rates, and in fact, Treasury bill rates have stiffened to 3/8% and on notes, to over 1%, compared with 1/20th of 1% and .7% a year ago when excess reserves approximated $3,500,000,000. While no further important rise in rates is anticipated in view of the importance of financing the war at a horizontally low level, this improvement in yields which has occurred has been clear gain for earnings of the banks, and constitutes a further factor which in conjunction with heavier volume of earning assets, will assist banks to make a better earnings showing despite heavier taxes.

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£98,263,226

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital	£8,780,000
Reserve Fund	6,150,000
Reserve Liability of Prop.	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1941	£150,939,354

SIR ALFRED DAVIDSON, K.B.E.,
General Manager
Head Office: George Street, SYDNEY

The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.

LONDON OFFICES:
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Agency arrangements with Banks throughout the U. S. A.

The Securities Salesman's Corner

Charlie Passes Along Some More Of His Logic About Business And Salesmanship

The readers of this column will remember that last week we told how "Charlie made a long story short." There were several anecdotes told us about this unusual salesman, who despite his lack of mastery over the English language did not let this deter him from being very successful as a producer of business. We believe they are worth passing along for the lessons they teach.

On one occasion this salesman and his employer were spending some time together in a social manner and the employer asked Charlie the reason why he had sold a successful shoe shine parlor, that was netting him about $100 per week, in order to go into the bond business. We think his answer was a masterpiece in logic—in fact, it seems to us that this story could be retold to any recalcitrant client who might be holding some securities that had reached "new highs" (and as many people do) refuse to take a profit. But to go on with our story, Charlie turned to his boss and said, "I sellum because business, she good. When business no good, no time to sellum. You no gitta da price. Now she good, I getta good price. Sellum!" That Charlie was eternally right is again revealed by the fact that there is no longer any shoe shine parlor on the once flourishing corner in this upstate city where Charlie lived. He knew how to be a good seller which is just as important as how to be a good buyer.

Probably another factor in his success was his mental attitude toward work. Having known nothing but long hours from the day he landed in this Country as an immigrant, he applied the same principles to his bond selling activities. He opened his shoe shine parlor about seven in the morning in order to catch the early morning trade that might be rushing past his door to the railroad station, and he kept his stand going until 11 o'clock at night. Fifteen to 16 hours work a day when he was in the shoe shine business was nothing unusual for him so when he went into the bond business he got up early in the morning and made his first call about six a.m. This he was able to do because his territory was located in the dairy-farming district of upper New York State and he would many times sit down at the same table with his clients, who usually did their early morning chores and then returned afterward for their breakfast. His last call of the day was normally made about nine o'clock in the evening. He thought he was the luckiest fellow imaginable because he could be out of doors all day talking to different people and moving around the country, instead of having to be closed up in a stuffy shoe shine parlor day in and day out.

It's true that not everyone in the securities business can put in such hours of work as these. Territories differ, individual clientes also require that specific parts of a salesman's day are devoted to certain interviews and less time is therefore available out of the working day for other customer contacts. But the important thing, we believe here, is shown by THE ATTITUDE TOWARD WORK, THAT THIS FELLOW ASSUMED. When he changed from his shoe shine stand to the securities business he didn't become a glorified financial genius who thought that because he no longer had the shoe-black stand on his hands that he could take life easy and only work a paltry eight hours a day. He was used to 16 hours work in one business and he didn't see why the same principle shouldn't hold good in another.

This column is not advocating 16 hours a day for bond salesmen. But we do feel that eight will bring about more success than two and there are some of us who think that even two hours work a day is a burden. Charlie didn't, he said, "I like talka to da people, 's-fun." We think he had something there.

Our Reporter's Report

(Continued from First Page)

Marketed to provide funds for the retirement of $24,700,000 of outstanding 3s, and thereby considerably lengthen the maturity of that part of the debt, the proceeds of the issue will permit also the clearing up of $3,000,000 of bank loans.

A sinking fund sufficient to take up about $20,000,000 of the total before maturity was one of the features lending attraction to the issue.

A Little More Sugar

Bankers who took over for resale a block of American Telephone & Telegraph Company 2¾s, due in 1970, part of a large issue sold last September to a group of insurance companies, are reported to have shaded the offering price on the bonds slightly.

The bonds were sold by the company to the insurance companies at a price of 101.842. Bankers making the secondary offering, some week ago, priced the issue at 100 with a ¼ point commission to dealers.

Now, it is understood, the bonds in the block are being made available to dealers at a price of 99¾ with the dealers' commission raised to ⅜ of a point.

Successful Secondary

One of the most successful of secondary offerings of recent vintage was completed over-the-counter after the close of the listed market on Tuesday.

In its initial undertaking the new firm of Paine, Webber, Jackson & Curtis, formed by consolidation of the two predecessor firms, headed a group which offered 16,229 shares of Scott Paper Company common stock.

Priced at 31½, with a discount of 90 cents a share to dealers, the block was readily disposed of and books closed in a short time.

Business Where You Find It

The dearth of new issues is giving underwriters ample time to turn their talents toward other, but none-the-less similar, means of eking out an existence.

Merrill Lynch, Pierce, Fenner & Beane, and the First Boston Corporation, for example, have registered as underwriters to devote their efforts toward facilitating the exchange of securities involved in the capital revision plan put forward by the Empire Gas & Fuel Company, subsidiary of Cities Service Company.

With their vast establishment —First Boston Corporation has 12 branches, while Merrill Lynch has only a few short of 100—the bankers should be able to turn in a real thorough job of solicitation. And it figures to return them, according to estimates, an average of 1½ points a share.

Brisk Demand For Canadians

Investment interests who have been handling a goodly portion of the business report that American investors are showing a real and growing interest in good Canadian securities.

They report that a sizeable business is going through daily involving securities of the Canadian Government, the Provinces and major private corporations of the Dominion.

One firm recently contacted a dealer in Canadians who was reported to have a block of 100 bonds for sale, but found that the block was priced a point above the market.

That was a little farther away than the firm was ready to pay. But a note was duly made and when, recently, the bonds got within a fraction of the potential seller's price, the banker went back.

He found that, instead of 100, there were 200 bonds which he proceeded to take up and turned over the same day at a profit.

SEC Applications For Broker-Dealer Registry

The following applications for registration as brokers and dealers were made on the dates indicated:

June 1, 1942—Investors Fund, Inc., 1016 Baltimore Ave., Kansas City, Mo., Simpson Yeomans, Alvin C. Ferris, Edward J. Stonner, W. Lloyd Garrett, Gus D. Welch and Delos C. Johns, officers.

June 2, 1942—C. F. Cassell & Co., 112 Second St., N. E., Charlottesville, Va., Clair F. Cassell, sole proprietor, Alexander J. von Thelen having withdrawn as partner; Eastnan, Kronen & Co., 1503 State Tower Building, Syracuse, N. Y., Drew G. Eastman & Hubert H. Kronen, partners.

June 3, 1942—Diehl & Kahn, 50 Pine St., New York City, Ludwig P. Kahn, sole proprietor, Geo. H. Diehl having withdrawn.

June 5, 1942—Institutional Investment Company, 108 South Main St., Fond du Lac, Wis., Irene S. Brenner, formerly a partner, Kenneth M. McLeod, Henry Washbush, officers (George N. Promen, a former partner, having withdrawn).

June 6, 1942—Harold Ginsberg, 1731 Harrison Ave., Bronx, New York, a sole proprietorship; Raymond N. Parker, 628 Circle Tower Building, Indianapolis, Ind., a sole proprietorship; Rufus G. Smith, 1707 Milam Building, San Antonio, Texas, a sole proprietorship.

June 8, 1942—Joseph Sibley Cover, 608 W. Fourth St., Roswell, N. M., a sole proprietorship.

June 9, 1942—Lewis Klein, 545 Fifth Ave., New York City, a sole proprietorship; Samuel Brothers, 2 Rector St., New York City, J. Erwin Samuel and R. Marden Samuel, Jr., general partners, Baroness Amedeo Cacace withdrawn as a limited partner; Thomas Whittemore, 72 Wall St., New York City, a sole proprietorship.

June 13, 1942 — E. Hirdler Greene, 1434 S. Cincinnati Ave., Tulsa, Okla., a sole proprietorship.

June 15, 1942—Devere W. Claus, Woolworth Building, Watertown, N. Y., a sole proprietorship; B. J. Johnson & Co., Rapid City Nat'l Bank Building, Rapid City, S. D., Bernard J. Johnson, sole proprietor; Mosle & Moreland, Inc., 824 American National Insurance Building, Galveston, Texas, J. Marvin Moreland, J. Ludwig Mosley, formerly partners, and Esther M. Hock, officers.

Sargeant, Malo Partner

DENVER, COLO.—William P. Sargeant becomes a partner in Sargeant, Malo & Co., Equitable Building, members of the New York Stock Exchange, as of today. Raymond E. Sargeant has withdrawn from partnership in the firm.

J. & W. Seligman Admits

J. & W. Seligman & Co., 65 Broadway, New York City, members of the New York Stock Exchange, are admitting Stayman L. Reed to partnership in the firm as of today.

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Bond Series Low-priced Bond Series Income Series
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Investment Trusts

Institutional And Fiduciary Investors

Generally speaking, investment company shares have not found the wide acceptance among institutional and fiduciary investors that would be natural to expect. As pointed out by the Keystone Corporation of Boston in its June 26, 1942, issue of "Keynotes," many professional trustees have two problems in common. The first is that of providing adequate supervision where compensation is not sufficient to cover the cost of complete supervisory facilities. The second is that of providing adequate diversification where the principal of the trust is moderate.

There are more than a few good investment companies whose shares would seem to afford the answer to both of those problems. And yet the fact remains that trustees have been hesitant to include such shares in trusts where such inclusion would have been entirely appropriate.

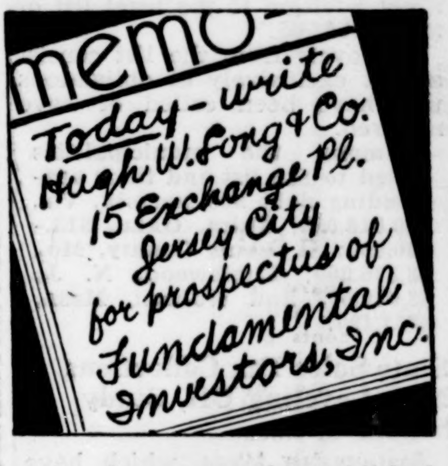
Again quoting from the aforementioned issue of "Keynotes," the question as to the propriety of their investing in the shares of investment companies is frequently raised by trustees—first, as to whether such an investment constitutes a delegation of duties, and, second, the question of added expense to the trust. Characterizing these questions as "secondary" and a matter of "common sense and degree," in an address before the Trust Division of the American Bankers Association, Mayo A. Shattuck, authority on trust law, stated:

It can be argued with a good deal of force that a trustee delegates no more of his authority in purchasing shares of these open-end investment companies than he delegates when he purchases, for example, the shares of a bank stock or insurance stock, or even of a stock like DuPont, whose earnings are dependent, in part at least, upon the earnings of another great industrial company. It can also be said that the management charge is no more open to objection than the salary account of a great public utility holding company, or the compensation which a trustee often pays to an expert in one or another of the fields of human enterprise—such fields, for example, as law, accounting, engineering or medicine.

Fortunately, this widespread apathy on the part of institutional and fiduciary investors toward the offerings of investment companies may be more accurately described as a past condition rather than a present one. There are growing signs of interest among institutional investors in representative open-end investment company shares. The Keystone Corporation, for example, reports a total of 586 institutional holders of the various Keystone Custodian Funds as of May 15, 1942. The five largest groups of holders were reported as follows:

	Number of Holders
Trustees	344
Estates	115
Corporations	46
Hospitals and charitable institutions	28
Churches	18

Other leading investment companies have recently published reports showing institutional and fiduciary acceptance of their offerings, and the figures have likewise borne out this encouraging trend.



memo
Today-write
Hugh W. Long & Co.
15 Exchange Pl.
Jersey City
for prospectus of
Fundamental
Investors, Inc.

Investment Company Briefs

Commonwealth Investment Company:

A memorandum comparing the market performance of 53 industrial groups since the fall of France (June 5, 1940, to June 3, 1942) shows that Commonwealth bettered the performance of all but 10 of the groups.

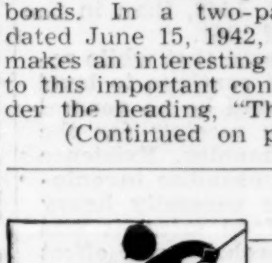
Dividend Shares, Inc.:

Calvin Bullock's "Bulletin" of June 25, 1942, points out that "if you owned 100 securities . . . you would have a long list of problems too." Some of these problems are discussed and a method by which they may be largely eliminated through ownership of Dividend Shares is outlined.

Hare's Ltd.:

Perhaps no other single group of securities has come in for such varied comment in recent months as have second grade railroad bonds. In a two-page bulletin dated June 15, 1942, Hare's, Ltd., makes an interesting contribution to this important controversy under the heading, "The Uncertain

(Continued on page 12)



Send for Prospectus

Republic Investors Fund, Inc.

Distributing Agent
BULL, WHEATON & CO. Inc.
40 Exchange Place, New York

Municipal News & Notes

Reflecting the general improvement in the financial condition of most of the country's railroad systems, rail securities with a par value of more than $2,400,000,000 have been added to the list of securities considered legally eligible for investment by savings banks in this State, it was announced Tuesday by the New York State Banking Department. The new list, effective yesterday, was issued by William R. White, Superintendent of Banks.

Municipal obligations of nearly $74,000,000 and public utility obligations of $204,000,000 also have been added to the list.

Including Banking Board authorizations of eight miscellaneous issues with a par value of $445,072,000, total additions made to the legal list amount to $3,180,512,205. Against these, the Banking Department announced total removals of securities with a par value of only $281,755,500, leaving a net addition to the legal list of $2,898,756,705.

Removals from the list consist almost exclusively of obligations that have been called or have matured.

Among the municipalities added to the list and their outstanding debt are Norfolk, Va., $40,618,000; Tulsa, Okla., $13,000,000; St. Louis County, Mo., $8,376,000; Englewood, N. J., $3,639,500 and Woburn, Mass., $853,400.

State Sales Tax Collections Now Leveling Off, Study Shows

State sales taxes, which have been running at an all-time high, now are leveling off, the Federation of Tax Administrators said Tuesday in an analysis of collection figures from eight states. Except for taxes on food and services, however, declines may be anticipated in the near future though total collections are not expected to fall below those of 1941.

Price ceilings, stricter controls over installment purchasing and the cut in production of civilian commodities combine to reduce the revenues from sales levies at this point, the Federation said.

Totals covering the period from July 1, 1941, to May 1, 1942, showed taxable sales up 12% in North Carolina and Colorado, 17% in Michigan and Missouri, 22% in Kansas and Oklahoma and 25% in Arizona and Illinois.

In April, 1942, however, the rates of increase over 1941 slackened to 3% in Michigan, 7% in Kansas and 16% in Illinois. First reports covering May collections show the increase that month in Arizona fell to 15%, in Missouri to 8% and in Colorado to 4%; and that North Carolina collected 5% less in sales taxes than in May, 1941. Oklahoma, among the States reporting, maintained the highest rate of increase, collecting 20% more in April, 1942, than in the same month of 1941.

The study said that while retail sales will continue to level off, there should be no general slump in tax receipts for the next several months. Existence of record merchandise inventories, plus the generally heavy reliance on food sales, it was pointed out, probably will offset in part restrictions on purchasing and the imposition of price controls. States taxing services will continue to gain revenue from this source.

Congressional Bill Would Ease "Call" On Poorer States

Under the terms of a bill introduced in Congress last week by Representatives Hare of South Carolina, poorer States would not have to match Federal financial grants on a dollar-for-dollar basis and would get a greater share of such funds.

At present, Mr. Hare explained, social security, maternal welfare, crippled children, old age assistance and similar grants by the Federal Government are matched equally by individual States.

Thus, he said, one State may be able to get $1,000,000 from the Federal Government for Social Security payments, because it could match it with a similar amount, whereas a State not so financially strong could only put up less money and get less money.

Under his bill (HR7298) the per capita income of the individual State as compared with the national per capita income would be the determining factor in computing the amount of money the Federal Government and the State would put up.

Governors Adopt Plans To Protect States' Rights

Governors of 39 States closed their annual conference last week by adopting resolutions to halt Federal encroachment on State rights. One resolution condemned any future national legislation that might exempt war plants from State and local taxes. The other expressed opposition to proposals that State unemployment compensation systems be placed under Federal control. Any congressional act to remove war industries from local taxation, the resolution stated, would be the gravest threat to States and communities devoting themselves most heavily to the war effort.

President Approves Municipal Bankruptcy Extension

President Roosevelt has signed the bill extending the Municipal Bankruptcy Act to June 30, 1946.

Municipal Officers Ask Postponing of Nonessential Works

Postponement of all "nonessential public works which compete directly or indirectly for materials or man power" with the national war effort was requested last week by the Municipal Finance Officers' Association of the United States and Canada.

In another resolution adopted at its thirty-seventh annual conference, the Association urged "the best possible use" of all man power and materials by Federal, State or local governments in order to "improve administrative management so as to increase the effectiveness of employes and to decrease the costs of government."

While suggesting the deferment of public building at present, the fiscal officers went on record as favoring the preparation in detail now of plans "for post-war public improvements."

The financing of the projected peace-time construction program was covered in a resolution calling for the progressive reduction of State and local government debts so that "credit will be available through improved borrowing power," and the exercise of operating economies so that "reserves or surpluses may be created."

The Association recommended that where needed legislation be enacted to accomplish the debt reduction and economy policy.

Mayors To Meet On Municipal Problems

Mayor La Guardia announced last Friday that he has called a meeting of the Board of Directors of the United States Conference of Mayors on July 9 at City Hall in New York to study the subject of assessments and other financial problems besetting American cities. He said that the financial plight of cities was becoming grave and that something had to be done.

FLORIDA

FLORIDA
MUNICIPAL BONDS

Our long experience in handling Florida issues gives us a comprehensive background of familiarity with these municipal bonds. We will be glad to answer any inquiry regarding them at no obligation.

R.E. CRUMMER & COMPANY
INVESTMENT SECURITIES
1ST NAT BANK BLDG CHICAGO ILLINOIS

Missouri Floods Exact Heavy Toll

The rapidly-rising Missouri River poured its muddy waters over thousands of acres of rich bottomland last Sunday, causing damage estimated in the millions of dollars, and three persons were drowned in floodwaters.

Thousands evacuated with their livestock, day and night, in the area extending from Boonville in Central Missouri to the confluence with the Mississippi above St. Louis. Some were marooned, rail and motor traffic was disrupted, and eight flotillas of coast guard vessels, aided by civilian patrol planes, engaged in rescue work and mail delivery.

An estimated 80,000 acres were covered in the St. Louis-St. Charles counties area alone, the hardest hit, and farm agents forecast damage at upward of $5,000,000 there.

Florida Municipal Bond Study Prepared

Heinzelmann & Ripley, Specialists in Florida Municipal Bonds, have prepared a study of the economic conditions in Florida, and their relationship to the financial status of the municipalities within that State, together with a tabulation showing progressive current yields of 18 different municipal refunding issues from the present low prices to the highs prevailing about six months ago.

Among various other statistics, the study points out that Florida has grown faster than any other State in the Union during the past decade, and that the growth of Florida's industrial and agricultural interests, together with its rapidly increasing war activities, is offsetting the diminishing tourist trade, and putting the State on an all-year-round income producing basis.

The tabulation shows that some Florida municipal bonds are available today at prices to yield tax exempt income of as high as 9%, and should prices return to their highs prevailing just before Pearl Harbor, capital appreciation from 21 to 72% is possible.

Copies of the study and tabulation are available upon request from Heinzelmann & Ripley, 40 Exchange Place, New York City, N. Y.

N. Y. Port Authority Earnings Exceed Requirements

Earnings of Port of New York Authority for May provided a wide margin of safety for interest requirements, notwithstanding advent of gasoline rationing. Last month's operating revenues, at $1,389,644, came within 14% of those for May, 1941. Income after expenses available for the $417,032 proportionate interest requirements on funded debt amounted to $1,059,486 for the month. Net available for sinking funds, reserves and debt retirement was $642,453, as compared with $796,970 in May, 1941. While the percentage decline for June may be greater, as compared with June of last year, all indications point to continued satisfactory coverage for interest requirements.

Specialists in transportation revenue bonds emphasize that the relatively strong position indicated for Port issues under existing restrictions derives from the fact that truck traffic accounts for an unusually large percentage of total gross income.

CHEMICAL
BANK
&
TRUST COMPANY
Founded 1824
165 Broadway, New York

CONDENSED STATEMENT OF CONDITION
At the close of business, June 30, 1942

ASSETS

Cash and Due from Banks	$330,822,454.99
U. S. Government Obligations, Direct and Fully Guaranteed	348,582,958.37
Bankers' Acceptances and Call Loans	29,347,695.09
State and Municipal Bonds	84,072,011.67
Other Bonds and Investments	99,960,002.59
Loans and Discounts	142,604,360.23
Banking Houses	509,793.50
Other Real Estate	4,855,702.25
Mortgages	1,503,000.42
Credits Granted on Acceptances	3,234,811.06
Other Assets	3,237,098.83
	$1,048,729,889.00

LIABILITIES

Capital Stock	$20,000,000.00	
Surplus	50,000,000.00	
Undivided Profits	9,662,494.39	$79,662,494.39
Dividend Payable July 1, 1942		900,000.00
Reserves, Taxes, Interest, etc.		5,621,009.94
Acceptances Outstanding	$5,352,138.72	
(less own acceptances held in portfolio)	1,552,606.03	3,799,532.69
Other Liabilities		239,765.78
Deposits *(including Official and Certified Checks Outstanding $10,228,089.63)*		958,507,086.20
		$1,048,729,889.00

U. S. Government Obligations and other securities carried at $123,936,710.61 in the foregoing statement are deposited to secure public funds and for other purposes required by law.

Charter Member New York Clearing House Association
Member Federal Reserve System
Member Federal Deposit Insurance Corporation

Birmingham Utility Acquisition Held Possible

The National Power and Light Company last week offered to sell to the City of Birmingham, Ala., all the utility and transportation properties owned in that city by its subsidiary, Birmingham Electric Company.

Paul B. Sawyer, President of National, announced the offer in a statement issued to deny published reports that the company already was negotiating for the sale of the Birmingham properties to the city or to Alabama Power Company, a Commonwealth & Southern Corporation subsidiary, which also operates in that area.

Mr. Sawyer admitted that Alabama Power recently had submitted an offer to buy these properties, but asserted that this bid was "so inadequate that it did not merit serious consideration."

The utility executive pointed out that the company is obliged to dispose of its Birmingham subsidiary under a Securities and Exchange Commission order issued in August of 1941.

Detroit Bonds Authorized

The City Council of Detroit, Mich., on Tuesday approved through its finance committee the issuance of a total of $17,143,000 of refunding bonds, the flotation of which would complete the city's huge refunding program that has been in progress for some time. The committee is understood to have set July 14 as the tentative date for the sale of the bonds, which will mature serially from 1944 to 1963.

Late in March, this year, the city sold $16,758,000 of bonds as part of its refunding program on a net interest cost basis of 2.7238%.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

July 7

$1,279,500 Toledo, Ohio

On May 19 a syndicate headed by Stranahan, Harris & Co., Inc. of Toledo, was successful bidder. Runner-up for the issue was Halsey, Stuart & Co., Inc. of Chicago.

July 8

$2,800,000 Cleveland, Ohio

In March this city awarded bonds to a syndicate headed by the Northern Trust Co. of Chicago, which account nosed out Blyth & Co., Inc., and associates.

July 14 (tentative)

$17,143,000 Detroit, Mich.

On March 31, the city awarded a previous issue of refunding bonds to a syndicate headed by Bankers Trust Co. of New York. Second best bid was entered by the First National Bank of New York, and associates.

July 17

$2,976,000 Cuyahoga Co., Ohio

In March the county awarded bonds to a syndicate headed by A. C. Allyn & Co. of Chicago. Second highest bid was submitted by Prescott, Jones & Co., Inc., of Cleveland and associates.

...THE...

PHILADELPHIA NATIONAL BANK

Organized 1803

June 30, 1942

RESOURCES

Cash and due from Banks	$307,225,558.95
U. S. Government Securities	253,334,072.02
State, County and Municipal Securities	16,637,466.56
Other Securities	41,972,969.87
Loans and Discounts	91,187,776.38
Bank Buildings	2,750,000.00
Accrued Interest Receivable	1,631,674.53
Customers Liability Account of Acceptances	687,747.38
	$715,427,265.69

LIABILITIES

Capital Stock	$14,000,000.00
Surplus and Net Profits	32,789,008.57
Reserve for Contingencies	3,079,394.59
Dividend (Payable July 1, 1942)	875,000.00
Reserved for Taxes	2,235,752.58
Unearned Discount and Accrued Interest	270,525.56
Acceptances	2,088,243.22
Deposits	660,089,341.17
	$715,427,265.69

EVAN RANDOLPH, *President*

CHARLES P. BLINN, JR., *Executive Vice-President*

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Philadelphia, Pa.

J. P. MORGAN & CO.
INCORPORATED
NEW YORK

Condensed Statement of Condition June 30, 1942

ASSETS		
Cash on Hand and on Deposit in Banks		$202,136,563.40
United States Government Securities, Direct and Fully Guaranteed		356,217,254.36
State and Municipal Bonds and Notes		23,863,894.45
Stock of the Federal Reserve Bank		1,200,000.00
Other Bonds and Securities (including Shares of Morgan Grenfell & Co. Limited)		20,227,842.87
Loans and Bills Purchased		66,749,553.77
Accrued Interest, Accounts Receivable, etc.		1,732,911.62
Banking House		4,000,000.00
Liability of Customers on Letters of Credit and Acceptances	$5,705,503.88	
Less Prepayments	7,738.95	5,697,764.93
Total Assets		$681,825,785.40
LIABILITIES		
Deposits		$633,335,602.07
Accounts Payable and Miscellaneous Liabilities		1,468,792.13
Acceptances Outstanding and Letters of Credit Issued		5,705,503.88
Capital	$20,000,000.00	
Surplus	20,000,000.00	
Undivided Profits	1,315,887.32	41,315,887.32
Total Liabilities		$681,825,785.40

United States Government securities carried at $38,474,992.36 in the above statement are pledged to qualify for fiduciary powers, to secure public monies as required by law, and for other purposes.

Member Federal Reserve System
Member Federal Deposit Insurance Corporation

July 2, 1942.

Says Cessation Of Utility Advertising Would Be Sabotage Of Investment

The necessity of the continuance of advertising by public utilities during the war was stressed by Davis M. DeBard, Vice-President of Stone & Webster Service Corp. in an address on June 23 at a meeting of the Public Utilities Advertising Association at the Hotel Commodore in New York. Mr. DeBard was reported as stating in the New York "Herald Tribune that cessation of public utility advertising for the duration of the war would be a "deliberate sabotage" of an investment built up during normal times. From the same paper we quote his further remarks as follows:

"Any utility company which crawls into its shell and ceases to interpret itself to the public during a period of war is inviting the inevitable—serious impairment of prestige, political attack, and all the other ills associated with a policy of silence," Mr. DeBard declared.

Recently published data indicate that companies which dropped advertising during World War I, he said, "suffered severely" in the post-war period and some nationally known companies passed out of existence.

While urging continued advertising, Mr. DeBard warned, however, that economical coverage is the first consideration. "Any form of advertising which cannot justify itself from this point of view will tend to bring on the utility criticism of customers who will claim that money is being spent recklessly," he pointed out.

In answer to a question as to which type of media, excluding magazines, was the most essention for war-time advertising in the utility industry, Mr. DeBard said newspapers and bill enclosures headed the list.

In both England and the United States, said Mr. DeBard, according to the New York "Times," utilities regard newspapers as the most essential advertising medium. The utilities session was held in conjunction with the annual convention of the Advertising Federation of America. Another speaker at the utilities meeting was W. J. Weir, Vice-President in charge of copy of Lord & Thomas, who charged that advertising is not doing the job it should be doing at present "because of too much fear of the present and of the future." As to his remarks the "Herald Tribune" reported:

Mr. Weir urged a continuance of advertising to the public as the only way to maintain good will. "Advertising is business's last point of contact with the American consuming public," he continued. It's the last means it has for preserving its franchise as a free operating enterprise. And the longer it hesitates, the longer it puts off a resumption of its curtailed advertising, the more precarious becomes its position—the more it invites the very thing it fears."

Many advertisers have lost courage, he contended, and because "they can't see the possibility of selling a can of beans tomorrow morning, are simply twiddling their thumbs instead of continuing to tickle the public's curiosity and desire."

Nuveen, Jr., Salvage Mgr.

CHICAGO, ILL.—John Nuveen, Jr., partner in the municipal bond house of John Nuveen & Co., 135 South La Salle Street, since 1919, has been appointed regional salvage manager for the Bureau of Industrial Conservation. He will be in charge of the activities of the four sections of the bureau—general salvage, industrial salvage, automobile graveyards, and special projects. Mr. Nuveen is also Chairman of the Illinois Board of Public Welfare Committee.

Financial Librarians Hold Annual Meeting

At its annual business meeting on June 20 in Detroit, the Financial Group of the Special Libraries Association elected as its Chairman, Mary P. McLean, Librarian, American Bankers Association, New York. Other officers elected were: Vice-Chairman, Pamela C. Williams, Librarian, Federal Reserve Bank, Minneapolis, and Secretary-Treasury, Margaret Siegmund, Librarian, Bankers Trust Co., New York.

On June 19, there was an informal discussion of problems and methods for financial librarians, led by Eleanor S. Cavanaugh, Librarian, Standard & Poors Corp., and President-elect of the Special Libraries Association.

A joint meeting of the Commerce and Financial Groups was devoted to the problems created in libraries and research organizations by the discontinuance and alteration of statistical information sources during the war emergency. Graham Hutton, Director, British Press Service, Chicago, and Dr. Stuart A. Rice, Assistant Director in Charge of Statistical Standards, U. S. Bureau of the Budget, Washington, D. C., presented papers on this subject, Mr. Hutton detailing the experience of Great Britain and Dr. Rice outlining the plan of ours, which has just begun. Both men, it is stated, encouraged the feeling that the dislocation would be for the duration only, and stressed the importance of protecting our statistical information from enemy use. In the case of Great Britain, it is indicated, the series are effectively scrambled; in the case of the United States the statistics are compiled but kept either secret, confidential, restricted or unrestricted — all to be released for public consumption as soon as practicable after the war.

Enjoined From Selling Unregistered Securities in New York State

The Banner Oil Corporation of Shreveport, La., has been enjoined from selling its securities in the State of New York on the grounds that the company had neglected to file required particulars with the New York Secretary of State after notifying the Securities and Exchange Commission that it intended to sell securities in New York State.

This is the first case of its kind in which an out-of-State corporation has been enjoined from doing a securities business in New York State without qualifying the stock with State authorities, regardless of the fact that the stock had been properly registered with the SEC.

To qualify a security for sale in New York State is an extremely simple matter.

C. A. Thompson Dead

Carmi A. Thompson, Treasurer of the United States under President Taft, died on June 22 at his home in Cleveland. He was 71 years old. Mr. Thompson successively was named Assistant United States Secretary of the Interior, Secretary to the President and United States Treasurer under appointments by President Taft.

At the time of his death he was a partner in the law firm of Thompson & Smith and Chairman of the Board of the Midland Steamship Co.

Homer Potter Now With Metropolitan St. Louis Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Homer H. Potter has become associated with the Metropolitan St. Louis Company, whose main office is located at 718 Locust Street, St. Louis, Mo. Mr. Potter in the past was an officer of the Mercantile-Commerce Bank and Trust Company of St. Louis with headquarters in Chicago.

Evidence Accumulates Of Widespread Opposition To Minimum Capital Proposal

(Continued from page 2)

The industry as a whole should appreciate your efforts in this regard, because the membership of the NASD would be better kept intact, rather than to have a wholesale resignation of small firms because they could not meet the financial requirement.—(From a San Antonio, Texas, Dealer)

DEALER No. 15

Below we reprint a letter written by an underwriter of an Investment Fund located in Boston, Mass., to the NASD's Philadelphia Office:

I have just received a letter from the National Association of Securities Dealers together with a ballot suggesting some changes in the by-laws. I am disapproving the entire lot.

I do this not because I think they are all bad, I do it because I think they are all interwoven with a principle that is bad. The idea of legislating a minimum capital requirement for all dealers all over the United States seems to me to lack appreciation of the conditions in this great country of ours. What is adequate capital for a member of the Stock Exchange doing business in Wall Street has no connection with what is necessary for a small dealer in, shall we say, Minnesota or Vermont.

Where a man carries no inventory, he needs very little capital to do business and do it honestly. The question of whether the customers are being jeopardized is entirely a matter to do with the character of the dealer and not of his financial resources.

The National Association of Securities Dealers has built up a closed shop that must be the admiration of all union leaders, but even the most radical of union leaders have never dared to go so far as to arbitrarily legislate against the poor man.

It has always been said that character and not the balance sheet determine the character of the loan. I believe the same applies for the same reason to investment dealers. . . . The small dealers do not have either the time or money necessary to give to your work, but because of that you should lean over backward to look at matters from the point of view of the smaller dealers and see that they get their share of the breaks.—(From a Boston, Mass., Underwriter of an Investment Fund)

DEALER NO. 16

Henry Ford did not have $5 to start with and Abraham Lincoln could never have entered the law business if he had to show net financial worth of any consequence. Contracts are what we deal in and if we can deliver the goods that's all that should count.—(From a New York City Dealer)

DEALER NO. 17

I wish to congratulate you on the vigor of your editorials against the NASD minimum capital proposals. The anti-American principle involved in this request was well portrayed by your editorials.

If this question is defeated, your publication should receive the credit. (From a Milwaukee, Wisc., Dealer)

DEALER NO. 18

I would like to add my comments to the letters which I have read in the "Chronicle" relative to the NASD Minimum Capital Proposal.

I believe that the "Chronicle" deserves a great deal of credit for the stand it has taken and agree entirely with you. It so happens that I am expecting to be called for war work so I withdrew a sizable amount of money from my firm to provide our own home for my wife and family leaving me below the proposed minimum NASD requirement.

After having been in business for many years it would seem absurd to be compelled to resign from the association because of an arbitrary ruling. The smaller dealers have done a good job with their clients' accounts.

. . . His livelihood depends upon the strength of his clients' accounts—not upon a big money reputation. (From a New York City Dealer)

DEALER NO. 19

Reference is made to your recent article of comment on the current proposal of the NASD. Having been the security business for a great many years I wish to commend most earnestly both your courage for saying what you did, and the clarity with which you show the lack of any rational support for the purpose. Nothing, it seems to me, could have less support in actual observed fact than the moth eaten thesis . . . that bigness per se, or "adequate" capital in and of itself is the solvent for business illness. . . . This whole subject is so ably treated by Dewing in his well known book that it ceases to be a matter of debate among informed people. . .

Personal observation over many years is persuasive that ignorance and stupidity have caused more loss by far than deliberate dishonesty or mere smallness of capital. Surely it could hardly be contended that the capacity to evaluate securities and understand the procedure for maintaining integrity and honesty are automatically inherent in the brain of a man having a hundred thousand dollars in the bank, and equally lacking in the brain of a man who has one thousand. If this were so, obviously a big business couldn't fail and a small one couldn't grow. The facts belie such a thesis. This was very well demonstrated here in Baltimore in 1933 when two of our four largest banks remained closed and perhaps two of all the others got into trouble.

Again I wish to contribute assurance that your points deserve most earnest consideration and that the criticism is amply supported by the facts. (From a Baltimore Dealer)

DEALER NO. 20

I want to commend you upon the stand taken in the June 18 and June 25 issues regarding the proposed NASD financial requirements for its members and other restrictions that they have asked the members to vote upon.

First, it seems unconstitutional and deprives the small dealer of his rights as an American citizen. The purpose is obvious . . . to force liquidation of all small investment houses throughout the country.

The position you people are taking is highly appreciated by the writer. (From a Louisville, Ky., Dealer)

DEALER NO. 21

May we express our full approval of your stand against the financial exactions proposed by the NASD.

If we expressed to you what we really think of all the regulations, restraints, restrictions, interference, meddling, snooping, poaching and policing upon the rights of the people and the rights of business, we would be prosecuted for indecent exposure of the American language.

Surely the high standard of ethics amongst broker-dealers and their integrity for the specific performance of contracts are the essential bulwarks for the conduct of this business, and the security of a mere $5,000 in capital would offer scant and inadequate assurance of added protection.

Should the rule pass, then the precedent would be established, and the possibility of raising and re-raising the ante would always be a threatening likelihood. We object to this purge—the purge of the small broker-dealer. We are opposed to the elimination of any honest man who is already in, and we object to keeping out any honest man who desires to come in.

We believe that no American who is morally and mentally qualified should be denied the right of making a living in the vocation of his choice. The freedom of individual enterprise has made America among the world's greatest. Has the modern Uncle Sam raped the Goddess of Liberty and debauched the virtues of freedom?

Surely broker-dealers should be restrained from all unfair practises and properly punished if guilty, but no one should be disciplined because he is too big or too small.

Please tell us, just what is the NASD anyway? Is it a broker-dealer organization, operated for their benefit, or is it a quasi-governmental bureau for the persecution of the broker-dealer? The broker-dealers pay the tariff to keep the organization going, so why should we vote to kill off the legitimate feeders of our own business?

We advocate more freedom in business—less restraint.

We vote No. (From a Washington, D. C., Dealer)

DEALER NO. 22

Words are futile in expressing one's sincere appreciation for the work you are doing in behalf of the little Security dealer.

This is unquestionably a matter of life or death for the dealer with insufficient capital to meet the demands made upon them by the Organization (NASD), originally organized (as the small dealer was lead to believe) and financed principally by small dealers, for protection of not only the investor, but the dealer as well. It might be a good idea if the NASD would check back their records and see how many of the firms, who today are howling for the elimination of the small dealer, ignored the NASD until these same small dealers built up the latter organization to such a strength that they were actually forced to sign up. The small dealers, if my own city is any criterion, will show the small dealer was in the majority in forming the original organization (now known as the NASD). . . . Some dealers are under the false impression that their business will benefit by eliminating the little fellow. It is high time all dealers got together to prevent this attempt to put across such a diabolical plan as the elimination from the Investment business of men who have, in many cases spent their 20, 30, and 40 years in this business. Many of these men even though the past 10 years has taken practically all their capital, are still able to at least make a living in the Investment business and benefit from the expected eventual upturn in this business, which the NASD CIRCULAR LETTER forecasts is close at hand. If the little dealer is so undesirable, why is it, we small dealers are receiving almost daily, literature, circulars, etc., from Government agencies requesting our assistance in selling Securities to the public?

As one of the so-called small dealers, with insufficient capital to meet the $5,000 requirement, my books will show I handle $25,000 transactions and very frequently $10,000 trades. What protection is this $5,000 to the Investor who turns over to my firm $25,000 for the purchase of securities? . . .

The proposed plan as submitted by the NASD is so ROTTEN with hidden objectives along with those rules made public, that it smells to the high heavens, and demands that all dealers with and without capital get together and fight this injustice to a finish. To do this, it undoubtedly will require financial assistance, I have no doubt the response by the majority of the dealers to finance such a fight would be tremendous, and I also believe, that your Editor, after showing his very sincere interest in the welfare and future of the small dealer, would undoubtedly be the one man to organize and get this fight started.

Something should be done and done immediately. Personally I am of the opinion that this Un-American plan was planned and plotted by someone in the NASD; and the SEC has had very little if anything at all to do with it.

It would not be a bad idea if the small dealer had some representation at the counting of the votes, otherwise you small dealers can expect to be advised by this underhanded group who will supervise the voting results that Article ONE was approved by a large majority of the NASD members. My ballot will show disapproval of all amendments.

You have my permission to publish any part of this letter in your next issue, however, I would ask that my name be omitted, the reasons are obvious.

With sincere appreciation of the good job your doing. (From a Buffalo, N. Y., Dealer)

DEALER NO. 23

As one of the smallest investment dealers, who is a member of the NASD, I wish to congratulate you on your article in the June 25 issue entitled: "NASD Minimum Capital Proposal Asks For 'Blank Check' To Rule Members—Would Hurt All, Help None." I have also read every one of the reactions of Security Firms to this proposal in this same issue.

I subscribe heartily to all your opinions. I can readily see that Dealer No. 1 has a decided difference of respect for the NASD and their rule that no member can deal with non-members except at prices that would be applied to the general public customer.

I joined the NASD because of this rule as undoubtedly Dealer No. 8 did. I have, however, not regretted my decision and wish very strongly to continue as a member.

One point that has not been mentioned as yet is the following which I make:

I wonder if it has ever occurred to those advocating this rule for Minimum Requirements for Membership that it would be far better for the general investing public to allow the smaller firms that might have to drop out of the association to stay on as members and continue to have the supervision of the business conduct committees and the ever present obligations to abide by these rules than to force them out of the association, some of them giving up as Dealer No. 8 would or continue in business as Dealer No. 1 would, subject only to the very far removed supervision of the SEC and incurring still more his derision for the cooperative efforts of the Investment Banking Business to instill self discipline among its members. (From a Danbury, Conn., Dealer)

DEALER NO. 24

Your article on June 18 regarding the proposed financial regulations by National Association of Securities Dealers on its members has been read with much interest by the members of our organization. Before seeing your article we had already decided to vote against these changes because the majority of these were certainly not for the benefit of security dealers.

I am convinced that the adoption of the rules prescribed by the National Association of Securities Dealers will be the beginning of the elimination of small dealers who are rendering a distinct service to their communities.

I heartily commend you for the stand which you have taken in this matter.

N. B. I do not wish my name used in connection with this letter which may or may not be published at your discretion. (From a Charlottesville, Va., Dealer)

DEALER NO. 25

We have read the parts of the last two issues of your publication regarding the proposed NASD minimum capital requirements with great interest. We are 100% against the amendment.

Have you heard of any organized opposition? We would like to join in a good cause. If this amendment is passed it should be taken to court. We would be glad to contribute a year's dues to help with the legal expenses of anyone who wants to test what is so obviously illegal. We would save money in the long run as with the certain decline in membership the NASD dues are sure to go up a couple of hundred dollars per year.

Why have this expensive association anyway?

Yours for a free country. An American. (From a New York City Dealer)

CORN EXCHANGE BANK TRUST COMPANY

ESTABLISHED 1853

A Bank Statement that any Man or Woman can Understand

Condensed Statement as of close of business June 30, 1942

Our Deposits and Other Liabilities are	$421,219,592.16
To meet this indebtedness we have:	
Cash in Vaults and Due from Banks	$110,937,618.91
Cash Items in Process of Collection	29,502,610.36
U. S. Government Securities, less Reserve (Direct and fully guaranteed, including $27,338,071.54 pledged to secure deposits and for other purposes as required by law.)	214,745,115.02
Other Securities, less Reserve	42,838,413.01
Loans and Discounts, less Reserve	28,714,618.43
Customers' Liability on Acceptances	451,843.46
First Mortgages, less Reserve	15,449,754.41
Banking Houses, less Reserve	11,573,599.63
Other Real Estate, less Reserve	1,185,945.14
Accrued Interest Receivable	1,290,006.24
Other Assets	205,816.78
Total to Meet Indebtedness	$456,895,341.39
This Leaves	$ 35,675,749.23

Capital, $15,000,000.00; Surplus and Undivided Profits, $20,675,749.23

BOARD OF DIRECTORS

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Member Federal Deposit Insurance Corporation.

The Corn Exchange Safe Deposit Company operates vaults in 56 of the 74 branches conveniently located throughout the City of New York.

United States War Savings Bonds and Stamps are on sale at all offices.

Columbia Summer Session Offers Special Courses

An extensive six weeks' instruction program in accounting, economic geography, personnel administration and economics will be given in the 1942 Summer Session of Columbia University, it is announced by Robert D. Calkins, Dean of the School of Business. It is pointed out that many of the classes, which are designed to meet the current shortage of trained persons in these fields, have been planned as refresher courses to assist graduate and undergraduate students, both men and women, to qualify for more responsible participation in the war effort. "It is felt," Dean Calkins states, "that current and anticipated shortages of professional and technically trained personnel can in some measure be met promptly by retraining those who are engaged in less critical occupations." The sessions, scheduled for day and evening, will begin on July 7 and continue through August 14.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 5)

develop when we establish a second front. For it will be then that our productive powers (assuming our powers of distribution keep step) will be felt in the field of battle.

* * *

It seems that instead of writing about the market I was sidetracked into a discussion of the war. But even if it seemed incongruous it has its place in a business where market interpretations depend on so many outside factors. But to get back to the market as a market and its technical signals the following still applies.

* * *

So long as the averages (Times) stay above the 69-70 range the danger of immediate sharp reactions is negative. But if this average breaks through, then subsequent rallies, unless fed by really good news, will be merely technical.

* * *

Meanwhile you are still long of four stocks, Air Reduction, Allis Chalmers, International Harvester and Union Carbide. All four are still above their critical levels and so long as they stay there I see no reason to sell them. For those unfamiliar with the critical points under which the stocks should not be held I repeat: Air Reduction 27¾ (now about 30); Allis Chalmers 21 (now about 24); International Harvester 41½ (now about 46) and Union Carbide 62 (now about 65½).

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Established 1856

H. Hentz & Co.

Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

N. Y. Cotton Exchange Bldg.
NEW YORK

BOSTON CHICAGO DETROIT
PITTSBURGH
GENEVA, SWITZERLAND

LAMBORN & CO.
99 WALL STREET
NEW YORK CITY

SUGAR

Exports—Imports—Futures

DIgby 4-2727

Commercial Bonds & War

What the U. S. war expenditures mean to the commercial banks of the nation from the standpoint of profit and loss and their ability to absorb a record volume of Government bonds is the subject of a study, "Commercial Bonds and the War," just completed by Ernest Schwarzenbach of Smith, Barney & Co., 14 Wall Street, New York City, and released in booklet form by the firm today.

Pointing out that probably $25,000,000,000 to $30,000,000,000 of Treasury obligations will have to be taken up by the member banks in the Treasury's 1942-43 fiscal year; another $30,000,000,000 to $35,000,000,000 in the 1943-44 fiscal year; and that deposits may increase nearly 35% in the coming fiscal year as a direct result of the war effort, Mr. Schwarzenbach says in part:

"All of the commercial bankers with whom we have had an opportunity to discuss the outlook, believe that the banks with the cooperation of the Treasury and the Federal Reserve System will be able to absorb the large amount of additional government securities which will have to be issued during the war. They think that by and large the Treasury will be successful in financing its long-term bonds on a 2½% interest level and the intermediate and short-term maturities on the present or a fractionally higher basis. If necessary, the maturities of the long-term 2½% securities might later on be shortened to from 15 to 17 years. They feel that it will be necessary to maintain interest rates at a fairly steady level since serious fluctuations in rates would cause concern and interfere with the maintenance of a broad and active market. The latter is necessary as a means for effecting adjustments between individual banks and other institutions and taking care of the flow of funds through the market incident to the enormous transactions of the war period. . . . All of the new government securities of course, will be taxable, which means that a five-year issue will have a net yield of only around 1% based on normal and surtaxes of 40%. This has additional significance for banks with large nearby maturities or call dates, the income from which has in past been fully or partially tax exempt."

Since Dec. 31, 1941, total loans of reporting member banks have decreased about $526,000,000, the study says, adding that most bankers expect this trend to continue for some time due to the lower volume of instalment credit financing, lower inventories in certain branches, repayments of regular commercial loans through long-term funding operations such as those carried out by the American Tobacco Co., etc. However, it is pointed out that on June 10, 1942, total loans of reporting member banks were still $606,000,000 higher and the total of loans and investments $3,605,000,000 higher than the year before. This means higher gross earnings than a year ago, and the balance sheet position of most of the large banks is described as probably sounder today than at any time in history.

Brown 5s Interesting

Charles King & Co., 61 Broadway, New York City, are distributing an interesting circular on the current situation in Brown Company 5% bonds, due Dec. 1, 1959. Copies of the circular may be had from the firm upon request.

Triumph Bulletin

Sweetser & Co., 65 Broadway, New York City, members of the New York Stock Exchange, are distributing a bulletin on Triumph Explosives, Inc., copies of which may be had from them upon request.

Again SEC Chairman

The Securities and Exchange Commission announced on June 30 that Ganson Purcell has been reelected Chairman for the fiscal year ending June 30, 1943.

Chairman Purcell was appointed a member of the Commission by President Roosevelt on June 11, 1941, to fill the unexpired term of Jerome N. Frank, and was reappointed by the President on May 25 for a term expiring on June 5, 1947. The Senate confirmed the reappointment on June 4; referred to in our issue of June 11, page 2208. Mr. Purcell was elected Chairman of the Commission last January.

Investment Trusts

(Continued from page 7)

Position of Second Grade Rail Bonds."

Lord, Abbett & Co., Inc.:

The July, 1942, issue of "Background," the monthly publication of this sponsor, contains a timely discussion of "The Economics of Thrift in Our War Effort." In the face of such huge expenditures for war, the great devourer of materials, the old proverb, "Waste not, want not," is re-emphasized.

A composite summary of the seven Union Trusteed Funds under Lord, Abbett sponsorship has been prepared including data for June, 1942, under the following headings: Current Information, Objectives, Portfolio, Price, Dividends, Yield.

Massachusetts Investors Trust:

"Friday, June 12, was a red-letter day in the history of Massachusetts Investors Trust. On that day the number of shares outstanding passed the 6,000,000 mark. Every year since 1924 the number of shares outstanding in the hands of investors has increased and today, as the end of the 18th year of continuous operations draws near, over 6,000,000 shares of the Trust are owned by more than 50,000 shareholders in every State in the Union and in many foreign countries."

This column joins in extending well-wishes to MIT, one of the oldest and best-known of the investment companies — a virtual "Daddy" in the field!

National Securities & Research Corp.:

With the June 25, 1942, issue of "Investment Timing," this organization's widely-known weekly service, an eight-page summary of intermediate trend advices appearing in the service since April, 1941, is furnished. The record is set forth clearly and unequivocally. For those who wish to study the past performance of this timing service, a copy of the summary would provide the answer. In case you are interested, it is suggested that you write direct to the sponsor at 120 Broadway, New York.

Republic Investors Fund, Inc.:

"From time to time over the past few years we have pointed out the better-than-average performance of Republic Investors Fund common shares. But during the past seven weeks the performance has been below average. We wish to point this out as well and to discuss the reasons for it." So begins a letter from the sponsor Bull, Wheaton & Co., to affiliated dealers under date of June 19, 1942. This frank statement is followed by an equally frank discussion of investment policy with respect to the fund.

Dividends

Manhattan Bond Fund, Inc.:

The Board of Directors has declared Ordinary Distribution No. 16, amounting to 11 cents per share, payable July 15, 1942, to holders of record as of the close of business July 6.

Massachusetts Investors Trust:

The Trustees have declared a quarterly distribution of 24 cents a share, payable July 20, 1942, to holders of record June 30. This payment represents net income for the quarter ending June 30 from dividends and interest on securities owned, and compares with 18 cents per share for the previous quarter and 21 cents a share for the corresponding period last year.

UP-TOWN AFTER 3

NEW MOVIES

"The Magnificent Dope," starring Henry Fonda, Lynn Bari and Don Ameche; with Edward Everett Horton, and others. . . . An amusing bit of nonsense of the boy-meets-girl variety with a dash of "Mr. Deeds Goes to Town" thrown in. There's nothing in the story to give you any trouble to understand or give you any doubts as to its outcome. You know that the boy will make good and the girl will understand and go for him. What little misunderstandings arise are just the small obstacles to prove the course of love doesn't run smooth or something. It's that kind of a plot. It all begins when Don Ameche, who runs a Dale Carnegie-ish kind of success school, finds himself with a sumptuous establishment, a staff of luscious female clerks, but no enrollment to sustain it. So his eye-filling secretary, Lynn Bari, suggests a Nation-wide contest for the laziest man in the country. The winner to get $500 and a free course in Mr. Ameche's school that will make him a success. Henry Fonda, a boat keeper and small town philosopher, of Vermont, is the winner. But all he wants is the money to finance the home town fire department, not the course. Obviously, that won't do. Without a central figure, around whom to build all the expectant publicity, the contest will be a dud. So the blonde secretary goes to work on the reluctant Fonda to make him stay. She is instructed to show him the town. "Everything from the aquarium to the zoo" are her instructions. She is a smart girl and has evidently been around. She knows where the queer fish and the wolves are. So she takes him on a round of New York night clubs. But here the plan comes a cropper. Fonda falls for Miss Bari not knowing she is engaged to Ameche, but in order to prove worthy of her, remains in the Big City. There are some amusing sequences. Fonda confiding in Ameche about how he feels about Miss Bari, a confidence that Ameche encourages so his star pupil (who has since become a national figure) won't drop out. So there's the plot. You can see there is nothing to strain your imagination; nothing to think back on. It's just what it is supposed to be—hot weather fare for the escapist (20th Century). . . . **"United We Stand,"** a documentary film made up of clips of newsreels taken over the past 20 years or so. As a newsreel it has its points. As a documentary film it falls considerably short of its objective. The narrator, Lowell Thomas, or rather the people who wrote the commentaries for him to read, either are lacking in political acumen, don't know what the war is about, or if they do, have ignored it. Much of the dialogue sounds like the kind of pap we read in our grade school histories; it describes events rather than gives basic causes. The underlying factors that brought this war on; its objectives on the basis of the "Four Freedoms" and the consequences of appeasement are scarcely touched on. Instead it goes in for either straight military scenes; German re-armament, Maginot fortifications or for fun-poking of a Mussolini or a Hitler. As a straight newsreel that doesn't editorialize it is all right. But this is supposed to be more than a job of reporting. It is a retrospective picture of events that brought on this war and as such, particularly with the facts now available, it could have explained how it was possible for a Hitler or a Mussolini to come into power (20th Century-Fox).

AROUND THE TOWN

Almost every night club in New York is busy today thinking up ways to increase business. One method that all agree upon is this business of "Pan-American good will." The one night spot that doesn't have to start plowing up new fields is **Benito Collada's El Chico** down in Greenwich Village. For Collada has been doing that for nigh onto 15 years. As a matter of fact almost every Spanish or Latin entertainer who today has reached fame got his or her first start at El Chico's. The food and the entertainment is still in keeping with Collada's policy. Everything about it is authentic Spanish or Pan-American, though the menu also includes American dishes. . . . . If Latin entertainment isn't what you want try **Cafe Society Downtown** (it's right around the corner from El Chico). Its policy of boogie-woogie, barrel house and jitterburg type of music keeps the place filled. Right now its entertainment is headed by **Eddie Mayhoff**, a satirist and impressionist, whose caricatures of familiar types will have you limp with laughter. . . . **Night Club News. . . . Mother Kelly's** on the site of the Beachcomber opens this weekend. . . . **Danny Kaye** will sell war bonds at a $1,000 per musical note this Sunday evening, July 5, at the **Lido Beach Club** on Long Island. . . . **Bobby Parks** and orchestra opens in the **Glass Hat** tonight, Thursday, July 2. . . . **Notes From and About People You See and Hear. . . .** The three Charlies, **Ruggles, Winninger and Martin**, took an overnight trip to the Catskills to work on a radio adaption of "Friendly Enemies." They got into sparsely inhabited territory and Ruggles said, "I'll bet they haven't even heard of the tire shortage here." "That's a bet," agreed Martin. So they stopped at a combination general store and gas station to settle it. "Listen, buddy," whispered Winninger to the attendant, "have you got anything in the shape of tires to sell?" "Yes, sir," was the answer, "nice fresh doughnuts!" . . . **Maxene Andrews**, of the sister team, tells the one about the girl who visited a fortune teller. "Do you want to know about your future husband?" "No," was the answer. "I want to know about the past of my present husband for future use."

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SHOULD THIS MAN BE BARRED FROM NASD?

(Continued from First Page)

he was again—in the same old spot he had been in several times before.

Finally he got up from his chair, put on his hat and started for home. All the way to the subway his mind was working on an idea. He hardly noticed the people around him and as he finally arrived at his door his mind was made up. As he looked at his wife he was more certain than ever that he could make good. She had helped him all these years and he knew she wouldn't fail him now. That night these two courageous people decided to borrow the last penny they could rake and scrape together on John Bowman's sorely depleted life insurance SO THAT HE COULD GO INTO BUSINESS FOR HIMSELF. For the benefit of the record, we can attest to the fact that this sum was a great deal less than the proposed minimum amount to be required under Article 1, Section 1, for membership in the NASD.

Three years have now passed. Today John Bowman can readily qualify for the minimum requirements of this NASD proposal. The little twenty-five dollar a month office with its borrowed desks and furniture, that kind friends were good enough to lend him, has grown to four times its original size. He is now a member of the NASD. Most of his children are grown up. Three of his boys are with Uncle Sam's Marines, and, remember, this was only made possible because their dad could earn enough to continue to give them the physical and mental start in life that fitted them for this great privilege. The life insurance loan has been repaid and there is money in the bank. But even now, everything is not roses, for his good wife has contracted an illness that needs somewhat prolonged care. But today she is receiving the best of care in a private institution instead of becoming a public charge—and all this is possible because this American family was granted their Constitutional heritage that has been handed down to them through all these years of American history. THE RIGHT OF AN AMERICAN CITIZEN TO GO INTO BUSINESS FOR HIMSELF, WITHOUT MEETING ANY ARBITRARY FINANCIAL REQUIREMENTS, AND WHERE THE ONLY REQUISITE FOR SUCCESS ARE THE SAME AS THEY HAVE ALWAYS BEEN—CHARACTER—BRAINS—ABILITY AND WORK!

There are numberous "John Bowmans" in the securities business, also in other lines of American enterprise. It was their initiative, fortitude and perseverance that has made this great nation of ours a shining symbol of equality of opportunity for all those willing to make the necessary sacrifices in the endeavor to make their "place in the sun." Are we going to abolish this priceless privilege in the securities field by establishing an arbitrary financial barrier such as that proposed by the NASD? There can be but one answer. A resounding NO! If you have already voted yes on Article I, Section 1, recall your ballot and vote NO.

Boston Traders Party; Service Honor Roll

BOSTON, MASS.—The annual summer outing of the Boston Securities Traders Association, in spite of the weather, was pronounced a success by the members attending.

The Thornton Cup in the golf tournament was won by Sumner Wolley of Coffin & Burr with a score of 85-18-67. R. M. Murray of Tucker, Anthony & Co., won the grass with an 81.

The softball game between the "Spankers," captained by Lewis McDowell of Weston & Co., and the "Spunkers," under Edward Opper of Elwell & Co., was won by the "Spankers" with a score of 16 to 11.

Special prizes were won by William May of May and Gannon, and Henry Larson of the First Boston Corporation.

N. Howard Peckham of H. C. Wainwright & Co., appeared at the outing in a gasless gig motored by an elegant hayburner.

Committee in charge of the outing consisted of Francis P. Walsh, A. G. Walsh & Son, Chairman; William Prescott, Carver & Co., Inc.; Frank Lynch, Hunnewell & Co.; Paul Scribner, Philip M. Tucker Co.; Charles Stevens, Arthur Perry & Co., Inc.; Herbert E. Hurley, Hornblower & Weeks, and Gilbert M. Lothrop, W. E. Hutton & Co.

The Association has made public the honor roll of its members in the service of the country. (Their former connections in Boston are given in parenthesis.)

Ensign Edward S. Amazeen, U. S. N. R., Portsmouth, Rhode Island (Coffin & Burr, Inc.);

Pvt. Albert W. Baker, Co. B. 25th Battalion, Fort McClellan, Ala. (F. Brittain Kennedy Co.);

Lt. Francis R. Cogghill, Headquarters Co., War Service Group, 2115 C Street, Washington, D. C. (F. L. Dabney & Co.);

Lt. Russell Dean, c/o Bausch-Lomb Optical Factory, Rochester, New York (Sears Corp.);

Pvt. Alvin A. Dykes, Army Air Base, Medical Corp., Houlton, Me. (Elwell & Co., Inc.);

Capt. James H. Goddard, Officers' Training School, Miami Beach, Fla. (J. H. Goddard & Co.);

Pvt. David A. Haley, Fort Michie, New York, Via New London;

Lt. Frederick L. Harson, U. S. N. R., Quonset Point, R. I. (MacColl, Fraser & Co.);

Lt. Edward Herlihy, Spence Field, Moultrie, Ga. (Edward Herlihy & Co.);

Capt. Samuel G. Jarvis, Army Air Base, Columbia, S. C. (Bond, Judge & Co.);

Pvt. Carl A. Levine, Squadron 594, Flight 263, Kessler Field, Miss. (R. H. Johnson & Co.);

Pvt. William Lundy, A-5, A. F. R. T. C., Fort Knox, Kentucky (Draper, Sears & Co.);

Corp. J. Russell Potter, Headquarters Co. C. A. S. U., Camp Edwards, Mass. (Arthur W. Wood Co.);

Pvt. Joseph M. Rinaldi, Company C, 167 Infantry, 31st Division, Camp Bowie, Texas (H. D. Knox & Co.);

Lt. Joseph F. Robbins, A. V. (S). U. S. N. R. On Furlough.

Eugene J. Ryall, U. S. N. R., Quonset Point, R. I. (C. J. Devine & Co.);

Lt. John L. Shea, Jr., U. S. N. R., Quonset Point, Rhode Island (Sears Corp.);

Major Paul D. Sheeline, Officers' Training School, Glades Hotel, Miami Beach, Fla. (Paul D. Sheeline & Co.);

Pvt. Wm. T. Skinner, Jr., Co. A 25th Battalion, Fort McClellan, Ala. (Walter J. Connolly & Co.);

Capt. Perry J. Smith, Jr., Camp Niantic, Co. B. 707 B. N. M. P., Niantic, Conn. (Brooks-Smith & Co.);

Sgt. Paul Sughrue. On Furlough (W. A. Thorndike & Co.);

Sgt. Frank E. Voysey, Headquarters Co., 40 Armored Regiment, Camp Polk, La. (Kidder, Peabody & Co.);

Capt. Charles H. Wilkins, Army Air Force, Annex No. 1, Room 1736, Gravelly Point, Va. (F. S. Emery & Co.).

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CONDENSED STATEMENT, JUNE 30, 1942

RESOURCES

Cash in Vault	$ 279,188.98	$26,134,659.35
Cash on Deposit in Federal Reserve Bank of New York	7,441,187.89	
Cash on Deposit in other Banks	380,450.34	
U. S. Government Securities	17,169,896.59	
Demand Loans Secured by Collateral	863,935.55	
State and Municipal Bonds		1,982,025.55
Federal Reserve Bank of New York Stock		120,000.00
Other Securities		2,259,612.35
Time Loans Secured by Collateral		992,524.65
Loans and Bills Receivable		40,373.74
Overdrafts—Secured	$ 8,592.30	
Unsecured	492.77	9,085.07
Real Estate Bonds and Mortgages		300,065.29
Real Estate (Branch Office)		100,000.00
Other Real Estate		125,950.00
Accrued Interest and Other Resources		110,823.49
		$32,175,119.49

LIABILITIES

Due Depositors		$26,966,691.69
Dividend No. 151, $2 payable July 1, 1942		40,000.00
Reserved for Taxes, Expenses and Contingencies		222,908.09
Capital	$2,000,000.00	
Surplus	2,000,000.00	
Undivided Profits	945,519.71	
		4,945,519.71
		$32,175,119.49

BOARD OF DIRECTORS

LEWIS SPENCER MORRIS, *Chairman of the Board*
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ARTHUR J. MORRIS, *President*

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DE COURSEY FALES
CHARLES J. NOURSE

Member Federal Reserve System and Federal Deposit Insurance Corporation

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The Bond Selector

(Continued from page 3)

H.P. are now in operation. Brown Co. and Brown Corp., with a combined annual capacity of about 285,000 tons constitute one of the largest producers of high grade wood pulps on this continent.

Under the terms of the reorganization effected late last year, holders of the $21,000,000 of old 5½s, due in 1946 and 1950, received for each $1,000 bond, $600 in new general mortgage 5s, 1959, and voting trust certificates for 6½ shares of new preferred and 28 shares of new common stock. In settlement of unpaid interest on the old bonds, holders of the Series A (1946) bonds received $1.37 in cash and a vtc for 1/20 share of new preferred; holders of the Series B (1950) bonds received $1.25 in cash and 1/10 share of new preferred. Capitalization now consists of the following:

R. F. C. 4% collateral note	$4,500,000
Retired as of March 31, 1942	1,750,000
Balance	$2,750,000
General mortgage 5s, 1959	12,849,300
6% cum. conv. pfd. v.t.c. shares	144,483
Common v.t.c. shares	1,999,659

The RFC loan is secured by a first lien on substantially all assets of the company and its subsidiaries except current assets, and is repayable serially in prescribed monthly instalments bearing interest at the rate of 5%. By agreement with the RFC, however, interest for the period ending Mar. 31, 1942, was paid at 4%. Standby Provisions of this loan, in addition to stating its senior position over the general mortgage, provide that interest on the general mortgage bonds may be paid only out of consolidated net earnings for the preceding fiscal year over and above amortization payment on the RFC loan plus $1,000,000—except that interest may be paid for one year even though earnings are insufficient therefor. No interest may be paid until 1944, if after such payment the next consolidated working capital is less than $8,500,000, or after 1944 if it is less than $7,500,000.

The general mortgage bonds are authorized in the amount of $25,000,000, of which $12,849,300 have been issued. They are dated Dec. 1, 1939 and mature Dec. 1, 1959. Interest at the rate of 5% per annum is payable June 1 and Dec. 1 of each year, but is subject to the Standby Provisions referred to above. Any interest, the payment of which shall be deferred pursuant to the Standby Provisions, shall accumulate and shall be paid after the payment of current interest at the earliest interest dates permitted by the Standby Provisions. Any unpaid interest shall become due and payable at maturity.

The general mortgage bonds are secured by a lien, subject to the prior lien of the RFC loan, on all of the property securing the latter. After the retirement of the RFC loan the general mortgage bonds will have a non-cumulative sinking fund amounting to 33⅓% of net income, but not to exceed $1,000,000 in any one year. No interest has been paid on these bonds. Interest having accrued from Dec. 1, 1939, the accumulations now amount to 10%, or $100 per $1,000 bond.

Net sales of Brown Co. and subsidiaries for the year ended Nov. 29, 1941, totaled $32,198,000 compared with $24,958,000 in 1940, an increase of 29%, representing the largest volume of business on record. Income available for fixed charges amounted to $6,298,000 compared with $3,304,000 in 1940. Pro-forma interest coverage on the basis of annual requirements on the debt outstanding as a result of the reorganization — $867,000 — was therefore 7.25 times. Since, however, the reorganization did not become effective until Dec. 1, the company's income account at Nov. 29 did not reflect the new interest charges. Applying pro-forma interest charges of $867,000, including annual interest on the RFC loan and on the general mortgage bonds, the earnings statement for 1941 compared with 1940 as follows:

	Year Ended Nov. 29, 1941	Year Ended Nov. 30, 1940
Net sales	$32,198,000	$24,958,000
*Costs include depreciation	24,957,000	20,615,000
Other expenses	1,716,000	1,663,000
Operating profit	5,525,000	2,680,000
Other income	773,000	625,000
Available for fixed charges	6,298,000	3,304,000
Interest—pro-forma	867,000	867,000
Times interest earned—pro-forma	7.25	3,80

*Depreciation: 1941, $1,542,000; 1940, $1,546,000.

Net working capital at the end of the 1941 fiscal year stood at $12,887,000 compared with $4,283,000 a year previously. Cash and government bonds alone amounted to $4,471,000 and a special deposit (subsequently applied largely toward RFC loan) to $1,790,000. Current liabilities totalled $3,975,000 and did not include unpaid interest of $1,285,000.

The mortgage bonds of this company appear to have attractive speculative possibilities at current levels and any further reduction of the RFC loan should result in higher prices.

Calendar of New Security Flotations

OFFERINGS

CELANESE CORPORATION OF AMERICA

Celanese Corporation of America filed a registration statement with the SEC for $35,000,000 3½% debentures, due July 1, 1962

Address—180 Madison Avenue, New York City

Business—The principal business of the corporation is the manufacture and sale at wholesale of cellulose acetate yarns and fabrics containing such yarns under the registered trade mark "Celanese" and other trade marks owned by the corporation. The corporation is the largest producer of cellulose acetate yarns in the United States. The statement says the percentage of the corporation's sales of chemical, textile and plastic products for use directly or indirectly in the production of war materials cannot be estimated accurately, but is believed to have increased rapidly. In addition, reduced imports of wool and other fibres and large use of such fibres in the war effort may increase the demand for the corporation's products for non-defense purposes

Proceeds—Net proceeds from the sale of the debentures, exclusive of accrued interest and after deducting estimated expenses, including certain expenses incurred in connection with the proposed issue in March, 1942, of $7,522,000 principal amount of conventible debentures (which debentures were not issued) will be applied as follows: $24,974,000 to redeem on or about the 30th day after the issuance of the debentures, at 101% of the principal amount thereof, the outstanding $24,700,000 principal amount of 3% debentures, due Aug. 1, 1955, of the corporation (exclusive of $100,000 face amount deposited with the paying agent for account of the sinking fund), and $3,000,000 to discharge the outstanding $3,000,000 face amount of 1¾% bank loans maturing serially 1943 to 1945, inclusive, of the corporation. Balance of such net proceeds is initially to become part of the corporation's general funds and as such may be applied to any corporate purposes. It is expected that an amount in excess of such balance will be applied directly or through subsidiaries to the construction and completion of plant additions and improvements and to other capital expenditures.

Registration Statement No. 2-5016. Form A-2. (6-23-42)

In an amendment to its registration statement covering $35,000,000 3½% debentures, due July 1, 1962, filed with the Securities and Exchange Commission, the Celanese Corp. of America lists underwriters and the amounts they have agreed to purchase as follows:

Name	Amount
Dillon, Read & Co.	$4,740,000
Glore, Forgan & Co.	2,560,000
A. C. Allyn & Co., Inc.	300,000
Baker, Watts & Co.	125,000
A. G. Becker & Co., Inc.	350,000
Blyth & Co., Inc.	1,400,000
Alex. Brown & Sons	500,000
Central Republic Co. (Inc.)	350,000
Coffin & Burr, Inc.	100,000
R. S. Dickson & Co., Inc.	200,000
Equitable Securities Corp.	200,000
Estabrook & Co.	250,000
First Boston Corp.	2,100,000
Goldman, Sachs & Co.	900,000
Graham, Parsons & Co.	250,000
Harriman Ripley & Co., Inc.	1,400,000
Harris, Hall & Co. (Inc.)	350,000
Hawley, Shepard & Co.	150,000
Hayden, Miller & Co.	250,000
Hayden, Stone & Co.	350,000
Hemphill, Noyes & Co.	700,000
Hornblower & Weeks	500,000
W. E. Hutton & Co.	350,000
Illinois Co. of Chicago	125,000
Kebbon, McCormick & Co.	200,000
Kidder, Peabody & Co.	900,000
W. C. Langley & Co.	1,000,000
Lee Higginson Corp.	700,000
Lehman Brothers	1,650,000
Laurence M. Marks & Co.	300,000
McDonald-Coolidge & Co.	150,000
Mellon Securities Corp.	1,650,000
Merrill Lynch, Pierce, Fenner & Beane	1,250,000
Merrill, Turban & Co.	150,000
F. S. Moseley & Co.	300,000
Maynard H. Murch & Co.	150,000
Otis & Co.	300,000
Putnam & Co.	125,000
Reinholdt & Gardner	125,000
Riter & Co.	700,000
E. H. Rollins & Sons, Inc.	450,000
L. F. Rothschild & Co.	150,000
Salomon Bros. & Hutzler	250,000
Schoellkopf, Hutton & Pomeroy, Inc.	100,000
Schwabacher & Co.	125,000
Shields & Co.	1,400,000
Smith, Barney & Co.	1,400,000
Stein Bros. & Boyce	125,000
Swiss American Corp.	100,000
Tucker, Anthony & Co.	350,000
Union Securities Corp.	700,000
G. H. Walker & Co.	125,000
Wells-Dickey Co.	125,000
White, Weld & Co.	600,000
Whiting, Weeks & Stubbs, Inc.	200,000
Wisconsin Co.	450,000
Dean Witter & Co.	200,000

Offered—July 1, 1942 at 99½ and int.

G. C. MURPHY CO.

G. C. Murphy Co. filed a registration statement with SEC for 90,000 shares of cumulative preferred stock, par $100 per share. The dividend rate will be supplied by amendment

Address—531 Fifth Avenue, McKeesport, Pa.

Business—The company operates a chain of 207 retail stores in 12 states and the District of Columbia, selling a wide variety of merchandise for cash and at unit prices ranging principally from 5 cents to $5, although a limited number of articles are sold at prices in excess of $5

Proceeds—Net proceeds will be used to provide for redemption as of Oct. 2, 1942, of all the outstanding 5% cumulative preferred stock of the company at $105 per share plus accrued dividends which will require approximately $4,250,000 and the balance of such net proceeds will be used to increase the working capital of the company which will be applied approximately as follows: $2,000,000 to increase inventories, approximately $400,000 for additions and improvements to property and equipment, and the remainder of such addition to the working capital of the company to increase cash. The redemption of the 5% cumulative preferred will be accomplished substantially concurrently with the issue of the new preferred stock

Registration Statement No. 2-5008. Form A-2. (6-9-42)

In an amendment filed June 25 to its registration statement covering 90,000 shares of cumulative preferred stock $100 par value, G. C. Murphy Co. states that dividend rate on the new preferred will be 4¾%.

The amendment lists the underwriters and the percentages of the unsubscribed stock to be purchased by each as follows:

Name	% to be Purchased
Merrill Lynch, Pierce, Fenner & Beane	12
Lazard Freres & Co.	6
Blyth & Co., Inc.	6
A. G. Becker & Co., Inc.	5
Goldman, Sachs & Co.	5
Harriman Ripley & Co.	5
Kidder, Peabody & Co.	5
Eastman, Dillon & Co.	4
Hadyen, Stone & Co.	4
Hemphill, Noyes & Co.	4
Hornblower & Weeks	4
Moore, Leonard & Lynch	4
Shields & Co.	4
Singer, Deane & Schribner	4
Spencer Trask & Co.	4
Riter & Co.	3
L. F. Rothschild & Co.	3
Tucker, Anthony & Co.	3
Baker, Watts & Co.	2
Frank B. Cahn & Co.	2
Emanuel & Co.	2
A. E. Masten & Co.	2
Scott & Stringfellow	2
Merrill Lynch & Co., Inc.	5

Company offered to sell to the holders of its outstanding 5% cumulative preferred stock, on a share for share basis, at the public offering price of $105 per share, a total of 40,000 shares of the new 4¾% preferred stock. Such rights expired 3 p.m. on July 1. The company is calling the old 5% preferred and holders of latter may use the proceeds from such redemption to purchase the new shares. The underwriters will purchase 50,000 shares of the proposed new preferred plus the shares not subscribed for by the present preferred stockholders

Offered—June 29, 1942 at $105 per share

Registration Effective 5:15 p.m. EWT on June 26, 1942.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, JULY 4

CAMILLA CANADIAN MINING CORP., LTD.

Camilla Canadian Mining Corp., Ltd. filed a registration statement with the SEC covering 500,000 shares of capital stock, par value $1 per share

Address—Toronto, Ont.

Business—Mining and milling

Underwriting—Enyart Van Camp & Co., Chicago, underwriter

Offering—Offering price is 25 cents per share, U. S. funds

Purpose—For development, exploration, equipment, milling plant and working capital

Registration Statement No. 2-5013. Form S-3. (6-15-42)

103RD ST. & WEST END AVE., INC.

Edward J. Crawford et al, voting trustees filed a registration statement with the SEC for voting trust certificates for 10,748 shares of capital stock par $1 per share of 103rd St. & West End Ave., Inc.

Address—Address of voting trustees care Walter McMeekan, 18 East 48th Street, New York City

Business—Apartment building

Offering — Voting trustees recommend that the voting trust agreement dated June 20, 1932, and expiring June 19, 1942, be extended for five years to June 19, 1947.

Registration Statement No. 2-5014. Form F-1. (6-15-42)

SATURDAY, JULY 11

PARK PLACE-DODGE CORPORATION

Park Place-Dodge Corporation Voting Trust, as extended, filed a registration statement with the SEC for 9,202 shares of common stock, without par value.

Address—40 Exchange Place, New York City

Business—Owning and operating business building

Offering—The voting trust was originally established under a voting trust agreement dated as of Sept. 1, 1932 and has been extended as to voting trust certificate holders who shall become parties to the extension agreement, by an extension agreement dated June 10, 1942, for a period of ten years, that is, until June 1, 1952

Registration Statement No. 2-5015. Form F-1, (6-22-42)

SUNDAY, JULY 12

UNION TRUSTED FUNDS, INC.

Union Trustee Funds, Inc., filed a registration statement with the SEC for 125,000 shares Union Bond Fund "C" at $5.61 per share or total of $701,250

Address — One Exchange Place, Jersey City, N. J.

Business—Investment trust

Underwriting—The issuer appoints Lord, Abbett & Co., Inc., the exclusive selling agent for its shares of capital stock

Offering—Maximum public offering price of all classes of the corporation's capital stock (with the exception of the class designated Union Fund Special) is 1000/915ths of the net asset value per share appertaining to the class in question, adjusted to the nearer one cent, except single orders from one customer amounting to $25,000 or more to be sold at 1000/950ths of asset value

Proceeds—For investment

Registration Statement No. 2-5017. Form A-1. (6-23-42)

MONDAY, JULY 13

BREWSTER AERONAUTICAL CORPORATION

Voting trustees of Brewster Aeronautical Corp. filed a registration statement with the SEC for voting trust certificates for 566,551 shares of capital stock, par value $1 a share

Address—Address of voting trustees care of Arthur A. Ballantine, 31 Nassau Street, New York

Business — Manufacturere of airplanes and parts

Proceeds — Voting trust agreement between certain stockholders of Brewster and voting trustees executed as of May 20, 1942, expiring Nov. 20, 1944. Voting trustees: Arthur A. Ballantine, James G. Blaine and C. A. Van Dusen. Certain holders of Brewster stock, including James Work, owner of 100,000 shares, Alfred J. Miranda, Jr., owner of 16,667 shares, Ignacio J. Miranda, owner of 16,667 shares and F. William Zelcer, owner of 16,666 shares, or a total of 150,000 shares or about 27% of stock outstanding, have deposited their stock under voting trust. Pennsylvania Co. for Insurances on Lives and Granting Annuities, Phila., Pa., is depository for trustees

Offering—By its express terms, the voting trust agreement terminates on the 20th day of November, 1944. Due to censorship probably no specific information is contained in registration statement

Registration Statement No. 2-5018. Form f-1. (6-24-42)

TUESDAY, JULY 14

THE MEAD CORPORATION

Mead Corporation filed a registration staement with the SEC 8,000 shares of $5.50 cumulative preferred stock, Series B, with warrants for the purchase of common stock (Series of 1937) attached; 8,000 warrants for the purchase of common stock (Series of 1937) attached to certificates for $5.50 cumulative preferred stock, Series B and 97,200 shares common stock, without par value

Address—Chillicothe, Ohio

Business—Present business in which the company and its subsidiaries are engaged consists of the manufacture and sale of products falling into three main groups, namely, white papers, chestnut corrugating and other paperboards, and wood and bark extracts for tanning

Proceeds — To acquire all outstanding stock of Escanaba Paper Co.

Underwriting—This offering is not being underwritten

Offering—The company offers to all holders of first preferred stock, irrespective of series, and all holders of common stock of Escanaba Paper Co. one-half share of the company's $5.50 cumulative preferred stock, Series B, with warrants for the purchase of common stock (Series of 1937) attached, and 4½ shares of the company's common stock, without par value, for each share of Escanaba preferred stock, and 1/10th share of the company's common stock, without par value, for each share of Escanaba common stock, in each case with all dividends paid or payable thereon during the period of the offer. Statement notes that 24,000 shares of the common stock registered will not be separately offered, but are reserved for issuance solely in satisfaction of the warrants for the purchase of common stock

Registration Statement No. 2-5019. Form A-2. (6-25-42)

NATIONAL SECURITIES & RESEARCH CORPORATION

National Securities & Research Corporation filed a registration statement with SEC for 49,800 shares of an aggregate offering price of $250,494

Address—120 Broadway, New York City

Business — Investment trust fund, restricted management type. Present trust known as First Mutual Trust Fund

Proceeds—For investment

Registration Statement No. 2-5020. Form C-1. (6-25-42)

WEDNESDAY, JULY 15

SONOCO PRODUCTS COMPANY

Sonoco Products Company filed a registration statement with the SEC for $1,000,000 serial debentures, $1,000 denominations, maturing serially, in amounts of $30,000 on July 1, 1943, and on first day of each July thereafter until and including July 1, 1966; the remaining $280,000 maturing July 1, 1967. Debentures of July 1, 1943, will bear interest of 1.5% and of July 1, 1944, 1.75%, with interest rate increasing fractionally on succeeding maturities and amounting to 4.25% on July 1, 1967, maturity

Address—Hartsville, S. C.

Business—Company is engaged in the manufacture and sale of paperboard, tissue paper, paper cones and tubes and other paper products, as well as in the manufacture and sale of impregnated and special tubes for the electrical and allied trades

Underwriting—The names of the underwriters and the amounts underwritten are G. H. Crawford Co., Inc., Columbia, S. C.; R. S. Dickson & Co., Inc., Charlotte, N. C.; McAllister, Smith & Pate, Inc., Greenvile, S. C., and A. M. Law & Co., Spartanburg, S. C., each for $250,000

Offering—Offering price to the public will be at face value or principal amount thereof, plus accrued interest on the debentures from July 1, 1942

Proceeds—Of the proceeds $670,820 will be used for additional working capital and $294,350 for retirement of outstanding 5% cumulative preferred stock of registrant—of which $290,000 is outstanding—callable at 101½

Registration Statement No. 2-5021. Form A-2. (6-26-42)

THURSDAY, JULY 16

EQUIPMENT FINANCE CORPORATION

Equipment Finance Corporation has filed a registration statement with the SEC for 5,000 shares of common stock, no par value

Address—Chicago, Ill.

Business—Short term financing etc.

Underwriting—No underwriter named

Offering—Issued prior to registration for cash and property 2,007 shares at $100 per share, and 2,993 shares are to be publicly offered at $100 per share

Proceeds—For trucks, land, building additions, improvements and garaging facilities

Registration Statement No. 2-5023. Form S-2. (6-27-42)

NATIONAL SECURITIES & RESEARCH CORPORATION

National Securities & Research Corporation filed a registration statement with SEC for 1,211,500 shares of an aggregate offering price of $7,827,380

Address—120 Broadway, New York City

Business—Investment trust fund, open-end, diversified management type

Underwriting—Name of trust is National Securities Series. National Securities & Research Corporation is sponsor

Offering—At market

Proceeds—For investment

Registration Statement No. 2-5022. Form C-1. (6-27-42)

SATURDAY, JULY 18

CENTRAL MAINE POWER CO.

Central Maine Power Co. filed a registration statement with SEC for $14,500,000 first and general mortgage bonds, Series M, maturing July 1, 1972; $5,000,000 ten-year serial notes, maturing serially on July 1 from 1943 to 1952, and 261,910 shares of common stock, par value $10 per share.

Address—9 Green Street, Augusta, Maine

Business—Company is an operating public utility and engages in the electric, gas and water business, entirely within the State of Maine

Underwriting—The bonds and the notes will be sold under the competitive bidding rule of the Commission. Names of underwriters and amounts and offering price to public will be supplied by amendment

Offering—Public offering price of the bonds and notes will be supplied by amendment. The 261,910 shares of common are first to be offered to the holders of the company's outstanding common stock and 6% preferred stock for subscription at $10 per share in accordance with their preemptive rights. New England Public Service Co. has subscribed for and agreed to take the 261,910 shares, less any shares as may be subscribed for by stockholders, and to pay therefor in cash at $10 per share provided the proposed merger becomes effective

Proceeds—Statement says that prior to the issue of the securities now registered, Cumberland County Power & Light Co., a public utility incorporated in Maine in 1909, will be merged into the company and Central Maine will thereupon acquire, pursuant to an agreement of merger, the business and all the rights, powers, etc., of Cumberland. After the merger has become effective, the business of the company will include also the business, franchises and properties of Cumberland, the separate existence of which will have ceased

Net proceeds from the financing in accordance with the merger plan recently filed with the commission will be used as follows:

Net proceeds of the series M bonds will be used to pay principal and premium in the redemption at 105% on Oct. 1, 1942, of $1,494,000 face amount of first mortgage, 4% series, due 1960, of Cumberland Power, $1,538,060; to pay principal and premium in the redemption at 105½% on a date in 1942 to be announced of $9,275,000 face amount first mortgage bonds, 3½% series, due 1966 of Cumberland County $9,784,348 and to pay bank loans made by the company which were incurred for the purchase and construction of facilities $2,650,000.

Net proceeds of the serial notes and the common stock will be used to pay par and premium in the redemption on a date to be fixed in 1942 of an unspecifed number of shares of 6% preferred stock and an unspecified number of shares of 5½% preferred stock of Cumberland County at 130% and 110%, respectively, all of which shares are to be called for redemption by Cumberland County prior to the proposed merger and converted under the agreement of merger into an obligation of the company to deposit the redemption price thereof in trust for the holders of such shares. The amount to be utilized in such redemption will be supplied by amendment.

Additional net proceeds from the sale of serial notes and common stock will be used to acquire 300 shares of the common stock and $6,000 face amount of 5% debentures of Aug. 1, 1936, due Aug. 1, 1956, of Nepsco Services, Inc., and 10 shares of common of Nepsco Appliance Finance Corp. $9,100 and to acquire all of the 650 outstanding shares of the no par capital stock of New England Pole & Treating Co. $110,000.

Balance of net proceeds of the series M bonds, the serial notes and common stock will be used to redeem at $120 per share or otherwise retire on or before Oct. 1, 1942, an unspecified number of shares of 7% preferred stock of the company and for the purchase and construction of facilities for the carrying out of the company's business.

Registration Statement No. 2-5024. Form A-2. (6-29-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

Amendment filed June 13, 1942, to defer effective date

CALIFORNIA UNION INSURANCE CO.

California Union Insurance Co. filed a registration statement with the SEC for 29,659 shares common stock, $10 par value

Address—San Francisco, Calif.

Business—Engaged in the underwriting of fire, automobile and other forms of insurance

Underwriting—Paul H. Watson is named principal underwriter; Don B. Wentworth may be an underwriter

Offering—The common stock registered will be offered to the public at a price of $22 per share

Proceeds will be used for additions to capital and surplus

Registration Statement No. 2-4992. Form A-1 (4-30-42 San Francisco)

Registration effective 1 p.m. ESWT on June 6, 1942.

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendment filed June 11, 1942, to defer effective date

EASTERN COOPERATIVE WHOLESALE, INC.

Eastern Cooperative Wholesale, Inc., filed a registration statement with the SEC for $150,000 4% registered debenture bonds maturing July 1 of each year from 1944 to 1956, inclusive (exclusive of 1950). No more than $30,000 principal amount of said bonds shall mature in any one year

Address—135 Kent Ave., Brooklyn, N. Y.

Business—Wholesale dealer in groceries allied products, including, among other related activities, warehousing and packaging

Underwriting—No underwriter named

Offering—The securities are being sold by the Cooperative directly to its stockholders and friends interested in the cooperative movement without the interposition of any underwriter, dealer, broker or salesman, at 100. No commission will be paid to anyone in conjunction with such sale

Proceeds—Will be used to repay certain private loans and also to reduce certain accounts payable now outstanding for current merchandise, the balance to be used for working capital

Registration Statement No. 2-5002. Form S-2. (5-27-42)

Amendment filed June 29, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956;

This announcement is under no circumstances to be construed as an offer of these securities for sale or as a solicitation of an offer to buy any of such securities. The offering is made only by the offering prospectus which, however, does not constitute an offer by any underwriter to sell securities in any state to any person to whom it is unlawful for such underwriter to make such offer in such state.

New Issue July 1, 1942

$35,000,000

Celanese Corporation of America

3½% Debentures, due July 1, 1962

Price 99½%

plus accrued interest from July 1, 1942 to the date of delivery

Copies of the offering prospectus may be obtained from such of the undersigned (who are among the underwriters named in such prospectus) as may legally offer these securities under applicable securities laws.

Dillon, Read & Co. **Glore, Forgan & Co.**

The First Boston Corporation **Lehman Brothers**

Blyth & Co., Inc. **Harriman Ripley & Co.** Incorporated **Smith, Barney & Co.**

Merrill Lynch, Pierce, Fenner & Beane

and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed June 26, 1942, to defer effective date

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment to defer effective date filed June 17, 1942

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock. $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendment filed June 19, 1942, to defer effective date

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HUNTER MANUFACTURING CO.

Hunter Manufacturing Co. filed registration statement with the SEC for 109,560 shares of common stock, of 25 cents par value

Address—Croydon, Pa.

Business—During two years ended Sept. 30, 1940, operations of company consisted of the manufacture and sale of Rex railroad signal lights and the manufacture and sale, on an experimental basis, of munitions. Since that date, the company has been primarily engaged in the munitions business

Underwriters—Nelson Douglass & Co., Los Angeles, Cal., and Barrett Herrick & Co., Inc., New York, each have agreed to underwrite 46,500 shares of the common stock registered, or a total of 93,000 shares

Offering—The 109,560 shares registered will be offered to the public at $4 per share; the underwriting commission is 80 cents per share. 93,000 shares are unissued and are to be offered to the public for the account of the company; the remaining 16,560 shares registered are to be purchased by the underwriters, under purchase option, from certain stockholders, and will be publicly offered

Proceeds will be used to purchase or redeem all the outstanding 36,000 shares of 6% cumulative preferred stock, $5 par value, and for other corporate purposes

Registration Statement No. 2-4990. Form S-2. (4-23-42)

Amendment filed June 22, 1942, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed June 10, 1942, to defer effective date

LONE STAR STEEL CO.

Lone Star Steel Co. filed registration statement with SEC for $500,000 5% debentures, due 1948; 1,000 warrents to purchase common stock; and 75,000 shares no par common stock

Address—Dallas, Texas

Business—Company is engaged in the manufacture of pig iron and steel

Underwriting — No underwriters are named in registration statement

Offering—The debentures will be offered to the public at 100; each $500 principal amount of the debentures will carry one warrant entitling the holder to purchase 25 shares of common stock of company, at $10 per share. Of the 75,000 shares common stock registered, 25,000 shares are reserved for issuance upon exercise of the warrants, and 50,000 shares will be offered to the public at $10 per share

Proceeds will be used for working capital purposes

Registration Statement No. 2-4997. Form S-2. (5-8-42)

Registration Statement effective 5:30 p.m. EWT on June 17, 1942

LUKENS STEEL CO.

Lukens Steel Co. filed a registration statement with the SEC for $2,200,000 4¾% sinking fund debentures due 1952

Address—Coatesville, Pa.

Business—Steel manufacturer

Proceeds—Payment of bank loan

Registration Statement No. 2-5003. Form A-2. (5-29-42)

In an amendment filed by the Lukens Steel Co. covering the registration of $2,200,000 4¾% sinking fund debentures the underwriters and the amounts to be purchased are given as follows:

Name	Amount
E. H. Rollins & Sons, Inc.	$874,000
Allen & Co.	600,000
Pistell, Wright & Co., Ltd.	186,000
Stroud & Co., Inc.	150,000
Graham, Parsons & Co.	100,000
Biddle, Whelen & Co.	100,000
Vallance & Co.	100,000
Boenning & Co.	50,000
Bond & Goodwin, Inc.	40,000

Offering price to the public will be 100 plus accrued interest from June 1, 1942.

MILLER TOOL & MANUFACTURING CO.

Miller Tool & Manufacturing Co. filed a registration statement with the SEC for 198,013 shares of common stock, par value $1

Address—Detroit, Mich.

Business — Manufacturing and sale of auto service tools

Underwriting—Baker Simonds & Co.

Offering—Of total 52,238 shares will be offered by the company and 145,775 shares by certain stockholders. Offering price to the public will be $2 per share

Proceeds—Company will use proceeds from sale of stock for working capital

Registration Statement No. 2-5007. Form S-2. (6-8-42)

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is tne principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

Amendment filed June 12, 1942, to defer effective date

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945, $62,000; debentures maturing 1946 $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190,537 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

Standard Aircraft Products, Inc., has filed an amendment to its registration statement which modifies the offering terms of the statement as originally filed. The 1943 maturity ($48,105) will be offered to the public at 100.50. The other maturities will be offered in exchange for 33,586 shares of $7.50 par 40 cents cumulative preferred stock on a par for par basis, and may be resold through underwriters as follows: 1944 maturity at 100; 1945 maturity at 99.50, 1946 maturity at 99.00 and 1947 maturity at 98.00

Amendment filed June 9, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb.), 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed June 18, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed June 29, 1942, to defer effective date

Stillman, Maynard Merger Is Effective

Consolidation of Evans, Stillman & Co. and Maynard, Oakley & Lawrence under the name of Stillman, Maynard & Co., became effective July 1.

All of the general partners of both firms will continue as partners of the consolidated firm. They include Walter N. Stillman, Richard S. Maynard, R. Lawrence Oakley, Charles C. Lawrence, J. Gould Remick, James McMillen, Robert W. Morgan, Arvid Eaton Taube and William W. Dean. Howard A. Plummer, who has been a limited partner of Evans, Stillman & Co., is retiring but will continue to have his office with the enlarged firm.

Although both firms serve a national clientele, neither have branch offices, and the only office of the combined firm will be at 61 Broadway, New York City.

Evans, Stillman & Co., established 30 years ago, on July 1, 1912, have acted as stock and bond brokers, participating distributors and dealers in general market issues, and underwriters, wholesalers and retailers of railroad equipment trust obligations. The firm also acts as agents in New York for several Australian, New Zealand, and South African stock and sharebrokers. Major J. Gould Remick of that firm, now on leave of absence for the duration, was a Governor of the New York Stock Exchange, and President of the Association of Stock Exchange Firms last year.

Maynard, Oakley & Lawrence, formed on Jan. 1, 1925, have conducted the same type of business as Evans, Stillman & Co., with the exception of railroad equipment trust obligations. Arvid Taube, now a Captain in the Army Aviation Service, is on leave of absence for the duration. R. Lawrence Oakley was formerly a Governor of the New York Stock Exchange and also of the Association of Stock Exchange Firms.

Associated with Stillman, Maynard & Co. will be William N. Beebe, Manager of the Bond Department; Philip J. Dwight, who will be Office Manager; and Messrs. William McK. Barber, G. Wyman Carroll, Everett Dominick, Thomas M. Dowling, Robert Minshall, Harold C. Strohm, Piero G. Trevis and Throop M. Wilder.

Opposes Increased Postal Rates For Publications

With the conclusion in Quebec on June 25 of a three-day convention of the National Editorial Association, Associated Press accounts stated that a resolution noted reports that the Ways and Means Committee of the United States House of Representatives had adopted a resolution authorizing an increase in postage charged on publications entered as second-class mail matter. The resolution instructed the legislative committee to oppose the proposal. The same advices reported that the Association at the same time pledged its "continued support to, and cooperation with, the government in the prosecution of the war to final and complete victory."

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(Continued from page 4)

300,000 compared with 11,686,000 in 1940.

Funded debt in the hands of the public totals $22,512,000, of which $17,385,000 represents First Mortgage and First and Refunding bonds outstanding. Funded debt is summarized as follows:

FUNDED DEBT

	In Hands Of Public
First mortgage 5s, 1936	$3,887,800
First and refunding 6s, 1955	7,946,300
First and refunding 5½s, 1956	2,162,500
Collateral loans held by RFC and others	2,295,980
Equipment trusts	1,666,900
Real estate mortgage	422,795
Unsecured debentures and notes	4,166,613

The first mortgage 5s, 1936, are secured by a first lien on the Shore Line, extending from Wilmette to Milwaukee, and on the Branch Line, extending from Lake Bluff to Mundelein. The First and Refunding 6s, 1955, and 5½s, 1956, are a first lien on the Skokie Valley Route, extending from Chicago to North Chicago Junction, and in addition are collaterally secured by deposit of $5,500,000 of the First Mortgage 5s, 1936. There are $3,388,000 of the First and Refunding bonds pledged under the collateral loans.

Income available for interest in 1941 of $219,416 was the largest since 1931 and was equivalent to about $12.50 per $1,000 of mortgage debt outstanding (not including real estate mortgages). Total operating revenues in 1941 of $4,517,000 represented a gain of 19% over 1940. Although interim earnings have not been released in 1942, it has been estimated by unofficial sources that for the first four months, the company realized some $270,000 available for fixed charges, compared with a loss of $4,000 in the same period of 1941. These same sources estimate that if current earnings are maintained throughout 1942, full interest requirements on the company's mortgage debt will be close to being covered.

The recent rate increase of 10% in passenger fares means far more to this property than to most railroads, since better than 75% of revenue are derived from passenger traffic. This increase became effective Feb. 10, 1942, on all fares except commutation tickets. An application is now before the Illinois Commerce Commission for a 10% increase in these rates.

On April 7, 1942, a petition was filed in Federal Court, Chicago, asking reorganization of the company under Federal bankruptcy laws. The petitioners filed two petitions which proposed that reorganization be carried out under either Chapter 10 of the bankruptcy laws governing corporation reorganizations, or under Section 77 governing railroad reorganizations.

Under any ultimate reorganization plan, it is obvious that the First Mortgage and First and Refunding mortgage holders would receive the bulk of the new securities, including new First Mortgage bonds issued. At current prices, the First Mortgage and First and Refunding Mortgage bonds, in toto, represent only about 5% of the balance sheet carrying value of $40,570,000 for gross property. There is ample margin, consequently, for price appreciation even under the most drastic reduction of funded debt in any proposed recapitalization.

Stany Buffet Supper to Replace Summer Outing

The Board of Directors of the Security Traders Association of New York has voted, due to the shortage of gasoline, to replace the regular summer outing of the Association with a Buffet Supper Party to be held July 15 at the New York Luncheon Club, starting at 6 p.m. In view of the fact that the treasury is in good shape, the directors decided that the party would be for members only and would be paid for by the Association out of the treasury.

The Association requests that members entering the armed forces of the country notify Chester deWillers, Schoonover, deWillers & Co., Inc., Secretary of the Association, in order that a complete Honor Roll of those in the service may be had.

Harry Hammond Joins W. Wallace Lyon Co.

Harry L. Hammond, member of the New York Stock Exchange, will become a partner in W. Wallace Lyon & Co., 120 Broadway, New York City, on July 9. Mr. Hammond for many years was a partner in Belden & Co.

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New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of the late Erickson Perkins to Edgar Widin will be considered by the Exchange on July 9.

The proposal that William J. Doyle, Jr., act as alternate on the floor of the Exchange for William D. Scholle, will be considered by the Exchange today. Both are partners in Scholle Bros., New York City.

Interest of Albert B. Wright, who died on June 22, in Goodbody & Co. ceased as of that date.

H. Herbert Oltman, member of the New York Stock Exchange, retired from partnership in Francis I. du Pont & Co. and Chisholm & Chapman, New York City, on June 30. The firm continues as an Exchange member.

J. Marshall Booker, member of the New York Exchange, formerly a general partner in Corlies & Booker, New York City, became a limited partner effective July 1, 1942.

Charles M. Clark, Jr., member of the New York Stock Exchange, general partner in Charles Clark & Co., New York City, became a limited partner in the firm effective June 24, 1942.

Whaley & Potter, New York City, dissolved on June 30, 1942.

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Common & 6% 1950
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M. E. Lawrence To Be A. M. Kidder Partner

Milton E. Lawrence will shortly be admitted to partnership in A. M. Kidder & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges. Mr. Lawrence will act as alternate on the floor of the Exchange for Amos M. Kidder.

F. J. Warne To Be Partner

Frank J. Warne today becomes a partner in the New York Stock Exchange firm of Hewitt, Lauderdale & Co., 39 Broadway, New York City. Mr. Warne will act as alternate on the floor of the Exchange for J. Robert Hewitt.

Our Reporter On "Governments"

(Continued from First Page)

they had purchased—in 1942 alone—more than $1,060,000,000 Government obligations against purchases of $353,000,000 in same 1941 period. . . . To put it simply and succinctly, they didn't have the funds on hand to buy huge amounts of the June issue. . . .

So the commercial banks came in and made up the difference. . . . And this isn't just a recording of past happenings. . . . It's an indication of movements to come. . . .

The fact is the insurance companies already have invested more than $2,000,000,000 in various types of securities in 1942. . . .They get so much money, build up so much reserve, then invest it. . . . Their power to buy can't be expanded at will by the authorities as can that of the banks. . . . So, the odds are banks will gain in importance as supporters of the financing program as the calendar year rolls on and the insurance companies will dwindle in importance. . . .

Translated into specific predictions, informed sources expect the tap issue to be opened up in August or September, when the insurance companies will have more cash accumulated for buying. . . . And other bond issues will be designed for purchase by the really important open market buyers—the banks. . . . That means intermediate maturities plus repeated offerings of various types of shorts. . . .

NO SERIALS YET

Secretary Morgenthau's assertion that he had "no tricks up my sleeve" has killed rumors that the Treasury was going to imitate the financing tactics of municipalities and try distributing a one to ten-year serial issue to banks. . . . Decision to issue a serial obligation with special sale privileges has not been made as yet, according to informed sources. . . . Move still is a possibility, maybe a probability for fall. . . . Sentiment favors it, but if we are to accept Morgenthau's statement at its face value, there will be no attempt at unorthodox borrowing until September. . . . And that means continuation of the sale of certificates, notes, bonds and, of course, discount bills. . . .

Here's the way the timing shapes up at this writing:

(1) **The July borrowing, probably due shortly after the 4th, in the form of bonds. . . .**

(2) **Some move on excess reserves, minor but significant of policy. . . . Market expects step and has looked forward to it for so long that any marked price fluctuation would be highly unlikely. . . .**

(3) **A steady, quiet market following the financing and efforts at another build-up. . . .**

(4) The August borrowing, this one designed to appeal more to insurance companies and corporations. . . .

(5) Then, maybe plans for unorthodox financing systems may take shape. . . .

INSIDE THE MARKET

Prices lower in recent sessions but trading has been exceedingly quiet. . . . "Dull as I can remember" was one trader's comment. . . . "Never been as quiet as this" was another's. . . .

Failure of prices to respond to certificate offering was due to fact that issue had been completely discounted. . . . Dealers held bonds in anticipation of price rise on issue of shorts. . . . They sold on sale. . . . And so market didn't go up although the expert and natural opinion was in that direction. . . .

Latest report on banks' responsibility this year places buying of banks at $28,000,000,000, buying of individuals through war bond purchases, at $12,000,000,000. . . .

Cut in deposit requirements for bank subscriptions to certificates, fact that books were kept over two days indicated more realistic, war-time attitude on part of Treasury. . . . Free riding on short-term issues is an impossibility, for there just isn't enough profit in shorts to warrant taking time for subscription. . . . Making buying as easy as possible for real investors, therefore, is only a sensible move. . . .

Final Edition
THURSDAY
In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4086
New York, N. Y., Thursday, July 2, 1942
Price 60 Cents a Copy

House Committee Completes Tax Program; Income And Corporation Taxes Increased

With the completion of action on the proposed new tax bill by the House Ways and Means Committee on June 24 the draft of the intended legislation was turned over to the drafting experts with the expectation that it will speedily be brought before and acted upon by the House, and be ready for submission to the Senate by July 20. As it came from the Ways and Means Committee the bill is designed to yield $5,924,000,000 additional revenue as compared with $8,700,000,000 asked for by the Treasury to finance the war and combat inflation. In a last minute change in the bill the Committee stripped it of the provision, recommended by Secretary of the Treasury Morgenthau to require the filing of joint income tax returns by married persons.

Although the bill was about $2,800,000,000 short of the Treasury's goal, it was noted by the Associated Press, the measure does not impose a general sales tax, advocated by some Committee members but opposed by the President and Mr. Mogenthau on the ground that it would fall disproportionately on low income groups. It was likewise noted in the Associated Press accounts from Washington June 24 that Mr. Morgenthau told the Committee that even if it (the bill) raised as much as $7,000,000,000 in new revenue and another $2,000,000,000 in social security taxes—as the President recommended—it would be necessary to borrow at least $39,000,000,000 in the fiscal year which begins July 1. Appropriations approved by Congress are approaching the $90,000,000,000-mark thus for this year.

As was indicated in our issue of a week ago (page 2393) the House Committee substituted a flat 94% excess profits tax on corporations for the present graduated scale ranging from 35 to 60%. Under a post-war program adopted by the Committee on June 23 by a vote of 11 to 10, corporations subject to the 94% excess profits tax

(Continued on page 21)

FROM WASHINGTON AHEAD OF THE NEWS

By *CARLISLE BARGERON*

In the general debate about what is wrong with Congress and why, it is interesting to note that the high and august body known as the Senate has become to be the Administration's rubber stamp instead of the House. This is true today as it has been for the past several years. It is strictly a New Deal innovation. It is a worthwhile study in view of the recent stirring in the legislative branch to recover some of its lost prestige. The Senate, for the first time in history, perhaps; certainly for the first time in the twenty years memory of this correspondent, is the stumbling block.

There has long been a tremendous rivalry between the two Houses. You may recall that back in the days before billions of expenditures and American forces scattered throughout the world utterly dulled the American sensibilities, that the country figuratively rocked over the tremendous controversy of whether Alice Longworth, the wife of the Speaker of the House, or Dolly Ganns, the sister of the Vice-President who presided over the Senate, should be seated first at the Washington dinner tables. There was no question among the contenders that the Senate presiding officer's lady should sit ahead of the lady of the Speaker of the House. The only question was whether the Senate's presiding officer could make his sister, instead of a wife, the official lady. The point is that the Senate admittedly rated higher.

The House members in those days were fellows who, being elected for only two years at a time, were anxious to bask in the popularity of the current President. There was therefore, never any question that an Administration sponsored bill would get through the House; conversely no question that the House would stop a bill which the Administration opposed. The Senators, on the other hand, elected for six-year terms, and not up against the current whims of the people or the popularity of a President, were more independent. It was they who kept the feet of the executive branch on the ground. It was they, with their rival ambitions and their rival calibres, in fact, who, up until the time of Roosevelt, prevented any man in the White House from getting a third term. The Senate turned down Presidential appointees for

(Continued on page 21)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

GENERAL CONTENTS

Editor's Note—Various other reports and news items, not covered in this index, appear in Section 1 of this issue, as explained in the notice given on this page.

Editorials

Homo Sapiens So-Called 18
A Strange Doctrine 17

Regular Features

Financial Situation 17
From Washington Ahead of the News 17
Moody's Bond Prices and Yields 28
Items About Banks and Trust Cos. 32
Trading on New York Exchanges 30
NYSE Odd-Lot Trading 31

State of Trade

General Review 19
Commodity Prices—Domestic Index 29
Carloadings 31
Weekly Engineering Construction 28
Paperboard Industry Statistics 31
Weekly Lumber Movement 31
Fertilizer Price Index 28
Weekly Coal and Coke Output 29
Weekly Steel Review 27
Moody's Daily Commodity Index 28
Weekly Electric Power Output 28
Weekly Crude Oil Production 29
Non-Ferrous Metals Market 30
Monthly Crude Petroleum Report Suspended *2320
Pig Iron Statistics Discontinued *2311

Miscellaneous

U. S. Gets Cuban Air Bases 30
Says Democracy Must Be Effective 30
Cooperation Necessary in Peace Aim 29
Proposed and Present Taxes Compared 28
Cotton Quotas Revised 28
Sugar Stamps Valid Four Weeks 22
Heads N. Y. Savings, Loan League 22
FDR Signs Army-Navy Pay Bill 22
Peruvian Cotton Purchase Not For Import 22
To Build More Navy Blimps 22
U. S., Belgium Sign Lend-Lease Accord 22
Talks With FDR On Bahamas Wages 22
Bicycle Inventory 22
Increase July Oil Output 22
French Africa Trading Resumed 22
Chicago Home Borrowings Up 22
New Cotton Exchange Members 22
Yugoslav King Visits U. S. 22
Cotton Penalty Rate Fixed 22
Stettinius Added to BEW 22
FDR Lauds Wagner and Brandeis 26
Church Pension Fund Reports 26
To Buy Costa Rica Rubber 26
Urge Removal of Argentine Beef Embargo 26
Gift For Aeronautical Research 26
Real Estate Boards Approve Housing Policy 26
Aluminum Scrap Drive Below Expectation 24
1943 Wheat Allotment 24
Warn of Axis-Origin Dollars 24
Complete Aid For Service Men's Dependents 24
May Cotton Spinning Activity 24
Praises States For Aid In War Effort 24
Candy Stressed As Food 24
Named Steel Institute Manager 24
Realtors, Lawyers Conference Group 25
Plan To Conserve N. Y. Transportation 25
Post-War Prospects For Housing, Aviation 25
Urges Government Aid Small Business 25
May Second Largest Construction Month 25
Says Inflation Curb Must Be General 25
Rail Brotherhood Makes War Donation 25
Senate Block Opposes Silver Export 23
Davis Named War Information Head 23
Treasury Plans Large New Borrowings 23
Florida Barge Canal, Pipeline Approved 23
Congress Votes Reduced WPA Fund 23
Argentina Represented At Bank Conference 23
Consider Mandatory Finger Printing 18
FDR Extends Scrap Rubber Drive 13
Arbitration Booklet For Foreign Traders 18
Seeks Federal Aid For Oil Companies 27
Heads So. Illinois Victory Fund Group 27
Treasury Estimate Of New Tax Revenues 27
May Building Valuations Down 27
Upholds Virginia Port Rate Decision 27
New War Bond Manual For Banks 32
FIC Debentures Marketed 32
Banking School Graduates 32
Rural Carriers To Sell War Bonds 32
Reserve Bank Rules On Saturday Cash Collection 32
Treasury Considers 5% Withholding Tax 32
New "Gas" Rationing Plan Outlined 20
Eccles Urges Brake On Instalment Buying 20
Brazil Coffee Exports In 1941 20
Crop Goals Largest In History 21
Praises Russia's Stand Against Nazis 21
To Aid War Savings Investment Program 19

**See Section 2, Chronicle of June 18.*

THE FINANCIAL SITUATION

Should some inhabitant of another planet suddenly gain access to American newspapers he would certainly find himself hopelessly puzzled over the nature and quality of what would inevitably to him appear a strange phenomenon—American industry. He could scarcely fail to observe very quickly that according to the Department of Justice, particularly in the person of one Mr. Arnold, most of the more important corporate enterprises in this country and their executives have been and are constantly violating the law of the land, as often as not for the purpose of suppressing or limiting production, and not infrequently doing so in a manner calculated to do great injury to their country in this time of trial and tribulation. Yet he would not proceed far before he would discover the Chief Executive, both of Mr. Arnold and of the nation, assuring the public that the same industry is today doing that which only a short time ago was all but universally regarded as utterly impossible for that or any other industry to do—meeting, and even passing, production schedules generally termed fantastic but a few short months ago.

Unfair and Injurious

The situation is, however, more than merely strange or inexplicable. If nothing more were involved than a baffled state of mind of some visitor from another planet, the matter might well be passed by as without great importance. The truth is, of course, that American industry is outdoing even itself in the production of the requirements of modern war, but it is likewise true that this "trust-busting" campaign of the Department of Justice has many elements of unfairness and of future trouble. The unthinking observer doubtless makes note of the fact that most of the actions instituted are not resisted in the courts by the accused who are regularly placed under what is termed consent decrees, and probably leaps quickly to the conclusion that the defendants are guilty as charged.

The situation is, however, not nearly so simple as is thus suggested. It is probably quite true that a great many patriotic business men, when placed in under the necessity of spending a great deal of time and energy in fighting a

(Continued on page 19)

A Strange Doctrine

> ***The Office of Price Administration is keenly aware of the inequity of making consumers of petroleum products bear the entire cost of the submarine warfare against tanker movement along the Eastern coast.***
>
> ***It is my own feeling, and one which I am sure is widely shared, that the higher cost of getting petroleum to the East Coast resulting from enemy action is an appropriate charge against the public treasury, just as is the cost of the patrol boats with which we sink the submarines.***
>
> ***Moreover, price increases of this sort have a bad dislocating effect on the whole cost situation of industries operating under our ceilings. Water-borne fuel oil, for example, delivered at tanker rates is an economical fuel for most industries. Should it have to carry, even temporarily, land transportation rates this would have a serious effect on prices charged by the industries which use heavy fuel oil.*—Leon Henderson.**

To many who are saturated with the notion of an economy planned and directed by government it usually does appear "inequitable" for any one—unless it is the manufacturer—to be obliged to pay what a good he wants actually costs but it is difficult to understand how private enterprise can survive on any other basis.

It is about as difficult to see how the Treasury can survive if it is to assume the burden of preventing or eliminating all such "inequities."

Consider Mandatory Finger Printing of All

The possibility that Congress will make it mandatory for the fingerprinting of every man, woman and child in the country was indicated on June 17 when, according to the Associated Press, it was officially disclosed that a large percentage of the nation's population has already been fingerprinted as a result of the war. From the Washington Associated Press advices we also quote:

> In testimony made public by the House Appropriations Committee, S. A. Andretta, an administrative assistant in the Department of Justice, declared that the FBI had purchased 48,000,000 fingerprint cards this year.
>
> He declared that the Bureau "has continued to receive a tremendous number of fingerprint records," resulting chiefly from Army and Navy demands that all employees in war industries be fingerprinted.
>
> The FBI furnished 15,876,275 cards to manufacturers of war materials and 10,000,000 more to the Army, all of which Mr. Andretta said will be returned and placed in the Bureau's files upon their execution.
>
> One legislative leader, after studying the figures, declared it was "extremely probable" that Congress would act upon mandatory fingerprinting for everyone later this year.
>
> An attempt to enact mandatory fingerprinting legislation was defeated two years ago, chiefly because of its cost.

President Extending Scrap Rubber Drive

President Roosevelt on June 29 extended the scrap rubber collection drive through July 10 in view of the disappointing total of 219,000 tons turned in during the first 13 days of the campaign. The President acted on the recommendation of Secretary Ickes, in his capacity as Defense Petroleum Coordinator, and William R. Boyd, Jr., Chairman of the Petroleum Industry War Council.

Speaking for the President, Stephen Early, White House Secretary, said that "in the face of the various serious needs for rubber, the total collections as reported today are disappointing."

The total of 219.000 tons had been brought to filling stations up to June 27 and excluded rubber now in the hands of approximately 20,000 junk dealers. In the first six days of the campaign there was a total of 100,438 tons of scrap rubber collected.

The drive was opened on June 15 and was originally scheduled to end on June 30. The President's radio talk inaugurating the campaign was given in the columns June 18, page 2312.

Arbitration Booklet For Foreign Traders

The Inter-American Commercial Arbitration Commission announced on June 29 that it had issued a booklet for distribution without cost to exporters and importers, which contains the standard arbitration clause for use in foreign trade contracts and instructions for procedure in arbitration under the standard rules of the Commission. Copies may be obtained on request at the organization's offices at 9 Rockefeller Plaza, New York City. The Commission, a non-profit, nonpartisan organization, maintains an inter-American system of commercial arbitration and is represented in all South and Central American countries. It was authorized in 1933 by resolution of the Seventh International Conference of American States, at the meeting in Montevideo.

Editorial—

Homo Sapiens, So-Called

The perplexed old Earth has witnessed much that seemed mad and senseless during his relatively short experience with the strange biped which has recently asserted primacy among the animals inhabiting his surface. Never anywhere nor at any time, however, has his vision included such an orgy of unlimited and unconsidered spending as that now in progress throughout some three millions of square miles situated in the northern half of his Western Hemisphere. "Ask and it shall be received" has become the rule of action among all the agencies especially equipped to destroy and to waste, and "much shall be added thereunto" has been proven to be a logical anticipation. The United States which, at the splendid height of its unparalleled prosperity, possessed properties of all sorts valued, in 1922, in the aggregate and according to a scientific appraisal based upon the rather high prices of the period, at $320,803,862,000, has within a war period of seven months and a brief anticipatory period, made specific commitments to supply its own armed forces and those of other nations which are presently more friendly than they sometimes have been, with equipment and subsistence to have a total cost of $220,000,000,000. And this is not the end nor is the end even in sight. The executives of the Nation contend, and as yet without arousing more than scattered whispers of protestation, that, in morals and necessity, the inescapable commitments are really unlimited, that is to say, presently unmeasured and beyond the possibilities of measurement. Undoubtedly, the total war cost is well on its way to exceed the $320,000,000,000 of wealth supposed to exist in 1922, and certainly somewhat diminished before 1940.

In the course of adding the latest increment, of $42,820,003,067, to the rapidly growing aggregate, the committee of the House of Representatives which is supposed to supervise all legislative exercise of the spending power declared that the addition of further vast sums of expenditure during the fiscal year 1943 has already become unavoidable and sure. Contemporaneously with this declaration the Committee on Ways and Means produced and publicized the greatest tax bill in the history of this or any other country, proposing to raise, during the single fiscal year about to begin, no less than $22,424,000,000 from a population that, including all ages, sexes, and races represented, cannot exceed 135,000,000.

Lest the citation of such incomprehensible aggregate should defeat its purposes, because no mentality can truly envisage a billion dollars, a few comparisons may be made. Including the assumption of the debts left from the Revolutionary War, those owed by the several States as well as those incurred by the Congresses that antedated the Constitution of 1787, and the redemption at par of the Continental currencies of various issues, the entire expenditures of the United States from 1789 to 1940 amounted only to $154,000,000,000, or not much more than two-thirds of the commitments already outstanding on account of a war in which participation is only seven months old. During that century and a half, the country engaged in six foreign wars, if the undeclared naval war of 1799 with France is included, and fought its way through the long Civil War which, until the World War of 1914-1918, still remained the greatest and bloodiest contest of arms in human history. The cited appropriation of $42,820,003,067, just provided, was for the uses of the War Department and may be compared with what that branch of the Federal establishment received for the expenses of other wars. For the War of 1812-1814, with England, it took $20,350,807; for the Mexican War of 1846, $38,305,520; for the Civil War, 1861-1865, $1,031,323,361; for the Spanish War, 1898, $229,841,254; for the World War, in which this country participated from April 6, 1917, to November 11, 1918, $9,009,075,789. All the expenditures of our Government on account of that last great conflict, including the loans to England, Italy, and other nations, amounted to less than one-fifth of the total already specifically provided for as part of the still unimaginable aggregate to be spent to finance the war that began last December.

Already the acknowledged Federal debt stands at $76,545,287,362. On June 25, 1942, it was $21,336,071,201 above the figure of one year before, although during the elapsed portion of the fiscal year revenues had been $5,271,739,686 above those of the corresponding part of the fiscal year 1941. There had been absolutely no net economies during the compared periods in non-military expenditures. Eleemosynary undertakings of the Government, begun to relieve the States and local communities from the pressure of mendicancy during a time of extreme unemployment and widespread suffering, were continued, perhaps from force of habit or from solicitude for impecunious voters, after need had disappeared and despite the enormous difficulty in obtaining sufficient labor for the farms and the war industries. Some diminution of their scope and cost had to be accepted even by their strongest official partisans, because the numbers of their beneficiaries had to yield when the best of these were taken by selective service conscription and many others among their "clients" gave way to the attractions of high wages in the munitions plants. Therefore, however unwillingly, the Administration could not avoid decreases in the expenditures under these headings. So the record stands:

FEDERAL NON-MILITARY EXPENDITURES FROM JULY 1 TO JUNE 25, INCLUSIVE

Fiscal Year	Work Projects Admin. & Civilian Conservation Corps	Other Non-military Exps.	Total
1941	$1,528,613,491	$4,751,863,957	$6,280,477,448
1942	1,036,064,435	5,211,691,816	6,247,756,251
Increase	----------	$459,827,859	----------
Decrease	$492,549,056	----------	$32,721,197

Increase in interest on the public debt accounts for $109,994,754 of the above increase, the balance was distributed with notable impartiality among most of the other non-military activities, all of which ought, in common decency, very materially to have been reduced. Another incident of the week which witnessed the latest, but certainly not the last, huge addition to the war commitments was the unmerited defeat of Senator McKellar's determined and commendable effort to do away entirely with both the Civilian Conservation Corps and the National Youth Administration, both of which have plainly outlived any merit or justification which they ever possessed. In spite of this fact, the CCC only is apparently to be done away with and the NYA is still to be continued, even though on a reduced scale.

Americans are officially advised that this is to be a long war. Imagination fails, however, when it attempts to estimate the cost to the United States of a war running through 1943 and into the year 1944, if the present spirit of blind profusion is not restrained. War costs are now accumulating, as measured by actual expenditures from the Treasury, at the rate of about $150,000,000 for every day except Sundays, not excepting holidays. The authorities insist that the maximum has not yet been even approximately attained and intend that the present daily rate shall be greatly exceeded. They seem strongly inclined, indeed, to boast of outlays rather than output, the former being largely swelled by daily concessions to "labor," which invariably multiplies costs while frequently curtailing production per unit effort and per dollar paid out. Obviously outlay and output are never identical and they are rarely even proportional. On the contrary, it is certain that England, for example, whose negotiations with this country under the Lease-Lend system plainly show that it is not entirely oblivious to considerations of cost, obtains very much more per unit of its expenditures within its own borders than the United States receives at the hands of its own domestic industry. Talk anywhere with any one engaged in the practical labors of directing production in the United States and little is heard except almost unbelievable accounts of racketeering and extravagantly wasteful practices indulged at the behest of selfish leaders of unionized employes and made substantially compulsory by the partiality towards them and their followers of the heads and underlings of the Administration, of demands made and acceded to under this practical duress which ignore and destroy efficiency, and of egregious wastes of effort and materials which are inconceivable to men who have never dealt at first-hand with conditions of such ugliness. No wonder that Senator Byrd, who fights undismayed and with the finest courage and persistence for the most meager rewards in recognition and improvement, would like, to use his own words, "to take a few thousand key employes of the United States Government—particularly some $10,000 to $15,000 a year bosses—into a quiet corner and patiently explain to them the facts of life." Among these facts, he would doubtless try to teach them that no one, not even Franklin Roosevelt nor the Treasury of the United States, really possesses the inexhaustible purse of Fortunatus. When, where, and how the end of this long and senseless orgy will come, it would be futile to attempt to guess. But that it must come to an end, that there must be a time of accounting, which will be increasingly appalling to every truly patriotic heart with every day of its postponement, and extremely unpleasant to those responsible for the debauch, whenever it occurs, is not guesswork but unmitigated certainty. It is the plain teaching of common sense and of all history. It is much too late now to escape all the penalties of recklessness, but their rapid accrual and accumulation could still be retarded by immediate and wise action by a clear-sighted Congress, not awed by the demands of a wilful Administration, and freeing itself from subserviency. Non-military expenditures ought at once to be cut drastically and with full measure of arbitrary determination. The fatuity of proceeding at complacent full-speed during an

emergency without precedent in the annals of humanity requires neither argument nor demonstration. Military expenditures ought to be less than they are or, in the alternative, if they are not to be reduced, results fully commensurate with the current outlays ought speedily to be obtained.

THE FINANCIAL SITUATION

(Continued From First Page)

case in court if they are to exonerate themselves and their enterprises, prefer at this juncture to concentrate their attention upon helping to win the war. Doubts in individual instances that such considerations are the sole factor accounting for so many pleas of nolo contendere in the cases in question is not the equivalent of believing that American industrialists have in recent years adopted the practice of deliberate, or even reckless, disregard of the so-called anti-trust laws. The fact is that from the very first it has been utterly impossible to know from decade to decade, or often from year to year, what the Sherman Law or the other related statutes mean when applied to many specific situations. It may well be questioned whether any other statute ever placed upon the books has been so variously, and so inconsistently interpreted by the Supreme Court of the United States.

Meaning Uncertain

Surprise after surprise even to the most learned and most astute of the lawyers specializing in the field have come from the highest court. It would be scarcely going too far to assert that no sooner than have a number of moot points apparently been settled to the satisfaction of the legal profession than a new decision in some other case raises a multitude of important issues thought definitely settled. At various times in the past, notably during the Coolidge regime, the situation was recognized as exceedingly troublesome and great, though not always wise, efforts were directed at finding a solution—some way of enabling a business man to know with reasonable certainty precisely what he could or could not do lawfully so far as the anti-trust laws were concerned. The NRA program raised many of these problems afresh, and further dabbling effort was made to clarify the atmosphere—one of the aftermaths being the notorious oil industry prosecution.

A New Court

And now we have virtually a newly constituted Supreme Court! It is still to be seen what its views are on many of the questions raised under the anti-trust laws, but its rulings so far give strong indications that it is disposed to turn the hands of the clock back to the era when the severest interpretations of the acts were in vogue, if indeed it is not prepared to go further than the Supreme Court has ever gone before. Many of the agreements now the subject of prosecution date from an era when the highest court seemed definitely to have greatly broadened the permissable area of action by business men in cooperation with one another. In a sense the anti-trust laws appear now to be in process of being again rewritten as they have been by the courts time and again. If so, many a business man may well find himself vulnerable even though he had obtained the best of legal advice and conscientiously followed it.

Consent Decrees

There is also another aspect of this matter which can hardly fail to give trouble. If the present rate of issuing "consent decrees" continues very much longer, a substantial part of American industry will be governed in these matters, not so much by law as by a long series of decrees which are the result of a sort of bargaining process between the defendants in such cases and the Department of Justice (with the approval of the country, of course). Each decree, naturally, governs only those to whom it is directed. Thus it happens that of a group of competing enterprises some are subject to this decree, some to another, and still others are free to govern themselves according to what they believe to be the meaning of the laws as they apply to them. Such decrees do little or nothing to lift the obscurity by which the provisions of the laws are surrounded in actual practice. The net result is confusion worse confounded, to say nothing of unequal application of law to different individuals or interprises.

Here is a situation to which the American people might well address themselves. There is no reason or excuse for the vacillating policies of the past, policies which give rise to periods of loose construction and indifferent enforcement of the anti-trust laws followed by periods of strict construction and zealous, not to say over-zealous, enforcement—all quite apart from the wisdom of any such campaign as is now being waged at a time when all American industry is straining every nerve to meet "impossible" war production demands. What the business man requires, and what he is entitled to, is an opportunity to know with a reasonable degree of precision and assurance what the laws mean as applied to him and to his activities. It would not appear to be an insuperable task to redraft legislation in such a manner that its meaning is more readily and certainly determined. So far as existing uncertainties have their origin in the newly constituted Supreme Court—it can only be said that we have here an excellent example of the reasons why the personnel of our highest tribunal should not be tampered with in any such manner as has occurred.

The least that can be demanded in light of all these circumstances is that the powers that be refrain from insinuations which give the impression to those not acquainted with the labyrinthian complexities of the situation that all those hailed into court, or at least the larger number of them, have acted with deliberate criminal intent or something very near it.

The State Of Trade

Though a number of the leading industries showed slight setbacks for the week, figures of production continued substantially above those of last year. For instance, electric power production during the week ended June 20 was 11.1% above output for the same week in 1941; engineering construction was also 11% above 1941 figures. Steel production showed a considerable drop for the week, this being due largely to seasonal influences.

Car loadings showed up exceptionally well for the latest week, totaling 844,913, according to reports filed by the railroads with the Association of American Railroads and made public recently. This was an increase of 12,187 cars over the preceding week, 40,626 cars lower than the corresponding week in 1941 and 116,420 cars above the same period two years ago. It was further pointed out that latest weekly carloadings of 844,913 were 128.13% of average for ten years.

Steel operations for the current week are scheduled at 96.5% of ingot capacity, the lowest since the week beginning March 2, a decline of 1.5 points from the 98% rate of last week, the American Iron & Steel Institute announced.

In steel quarters the let-down in steel output was ascribed as due chiefly to seasonal influences. Because of the emergency, all of the steel producers will operate through Independence Day, but in some instances, where staffs have been working at high pressure for many months, some additional time off is being given, it was indicated.

Other causes, it was suggested, may include necessity of repairs for overtaxed equipment and possibly in a few instances where the spotty scrap-supply situation has prevented full-scale output.

Department store sales on a country-wide basis were up 9% for the week ended June 20, compared with the same week a year ago, it was shown in the weekly figures issued by the Federal Reserve System.

Store sales for the four-week period ended June 20, compared with the same period a year ago, remained exactly the same.

It is pointed out that retail prospects for the rest of this year will reflect consumer convictions about the permanence of the price ceilings and fears that various products will no longer be available if purchases are delayed.

Retail trade during June, in dollar volume, has run about on an even keel with last year, so far as department store sales indicate. Since prices of goods sold by these stores have increased about 17% on the average, a sharp decline in unit sales has occurred.

Dollar sales will probably continue close to last year's level, despite the very high national income, unless inflation fears revive and bring another wave of forward buying, observers state. Store inventories are probably large enough to support one more such buying wave, although many products now on the shelves could not be replaced, so that sales would have to decline once this buying wave had been completed.

Donald M. Nelson's testimony before the Truman Committee provides a significant sidelight on the extent to which the war production program will crowd out regular civilian activity during 1943.

The War Production Program is now some $220,000,000,000, which, by the way, is roughly ten times the size of the first World War cost. Mr. Nelson estimated that $140,000,000,000 of this would be produced this year and next. The 1943 share of this production will top $80,000,000,000. This means that more than two-thirds of the prospective 1943 national income will be devoted to the war.

The average war production for 1942-1943 then will be $6,000,000,000 a month. Since production is still slightly short of $4,000,000,000 a month, actual war expenditures later in the year will be considerably higher than the $6,000,000,000 average.

With the acceleration of the military program and the resulting effect on government finances, it still appears that, unless a compulsory savings plan of some kind is adopted, a large part of the war deficit will continue to be financed by banks, with further increases in the volume of deposits as an inevitable result, according to the Guaranty Trust Co. of New York in its current issue of "The Guaranty Survey."

These conditions, the survey continues, have been such as to exert continuous upward pressure on the price level; and the general price movement, which had been marked by increasing stability during the three months preceding our entry into the war, was sharply upward in December, 1941, and in the first four months of this year.

While various steps are being taken in Washington to halt this upward movement, the "Survey" points out that it is still too early to conclude that the greater stability will be permanent.

It is pointed out that several broad groups of commodities are exempt from the provisions of the order, the most important consisting of farm products, for which, under the law, no limits can be fixed until they attain levels reflecting substantial premiums over parity.

"Nor does the regulation apply to wages of any kind, the "Survey" continues. "Some of the most important categories of prices and costs are thus free to rise further; and to the extent that they do so, they cannot fail to exert a powerful upward pressure on other prices. It is not logical to attempt to control price levels unless all the essential factors, including wages and farm prices, are controlled."

Mortality among new car dealers during the first five months of automobile and truck rationing, according to the trade publication "Automotive & Aviation Industries," has been only 7.2%. The publication says there were 37,607 dealers in business as of June 1, a decrease of 2,932 retail outlets from the 40,439 dealers in operation last January 1. The mortality rate is much lower than had been anticipated.

Among automobile repair shops, including new car dealers and independent services but exclusive of filling stations, the survey says mortality has been even less than that of new car dealers alone. In the five months ended June 1, total repair shops had dropped only 3.4% to 89,938 outlets.

To Aid Program For War Savs. Investment

An Advisory Council of nationally known leaders in the fields of education, finance, and public and social service will aid the National Thrift Committee with suggestions and advice in its program of public education to tune up the nation's savings power to at least 10% of earnings for War Savings investment, J. Robert Stout, Chairman of the Committee, announced on June 29. The members thus far appointed include:

Julius H. Barnes, former President U. S. Chamber of Commerce, New York City; Philip A. Benson, President, Dime Savings Bank, Brooklyn, N. Y.; Henry S. Kingman, President, Farmers & Merchants Savings Bank, Minneapolis, Minn.; Roy R. Marquardt, Vice-President, First National Bank, Chicago, Ill.; R. H. McCune, Vice-President, Roswell Building & Loan Association, Roswell, New Mex.; James M. McKay, President, The Home Savings & Loan Company, Youngstown, Ohio; M. K. M. Murphy, Executive Vice-President, Boiling Springs Savings & Loan Association, Rutherford, N. J.; Dr. Marcus Nadler, Professor of Finance, New York University, New York City; Walter J. L. Ray, Vice-President, Standard Savings & Loan Association, Detroit, Mich.; Levi P. Smith, President, Burlington Savings Bank, Burlington, Vt.; L. A. Tobie, President, Meriden Savings Bank, Meriden, Conn.; George W. West, President, First Federal Savings & Loan Association, Atlanta, Ga.; Carl K. Withers, President, Lincoln National Bank, Newark, N. J.

The Thrift Committee in its announcement says:

The Committee's program underlines budgeting and economizing as the primary citizen-contributions to war, with sacrifice of non-essentials a patriotic and personal necessity. It warns against the danger of not setting aside taxes as pay is received, and of mortgaging anticipated income with installment contracts. Since war-financing through bonds and stamps will fail and taxes increase if people cash War Savings bonds before maturity, the Committee emphasizes the importance of continuing emergency-savings programs of pre-war days, and so that the War Savings investment may be a real cushion against post-war readjustment, it recommends that wage increases pay debts and clean up installment payments quickly.

If these steps are followed the Committee believes that the average American will come out of the war in a much better financial condition than he entered it, with a comfortable 10% of earnings in War bonds to reward his prudence.

Leaves Chgo. Reserve Bank

Frank J. Lewis, Chairman of the Board of the Federal Reserve Bank of Chicago, has resigned effective July 1. Mr. Lewis, who is Chairman of the F. J. Lewis Manufacturing Co., has served as Chairman of the Chicago Reserve Bank and Federal Reserve Agent since Jan. 1, 1941. He had previously been a Class "C" Director of the bank for six years. According to the Associated Press, Mr. Lewis is resigning because of the fact that he is absent from Chicago much of the time. He is interested in the silk industry in Florida.

New 'Gas' Rationing Plan Gives 'A' Card Holders 16 Gallons Per Month—4 Gallons A Unit

Official instructions for operating the new gasoline rationing plan, which requires an exchange of coupons for all purchases of gasoline, were issued June 26 by the Office of Price Administration. The plan will go into effect in the East on July 22. At the same time, OPA announced that coupons in the ration books for private passenger automobiles will be valued at four gallons each. This value, it was emphasized, will be subject to change in accordance with any change in the East's petroleum supply situation.

The announcement states that this means that on the basis of 15 miles to the gallon the basic "A" ration books, containing a year's supply of 48 coupons, will provide 2,880 miles of driving annually. All passenger car owners, except a certain few who will be eligible for "S" books, will be entitled to this basic ration.

In order to obtain any supplemental ration through a "B" or "C" book, an applicant will be required to show that the "A" book will not meet his occupational driving needs.

In this connection OPA announced that 1,800 miles of the total mileage in the basic "A" book are considered available for occupational use, while the remaining 1,080 miles are regarded as available for general purposes, such as driving necessary to attend church, to take children to and from school, and for shopping.

Thus, as the first requirement for obtaining any supplemental ration the holder of a basic book must prove that his occupational driving is in excess of 1,800 miles a year.

The second requirement, as listed in the instructions, is a Car-Sharing Club to take three, or more other persons to and from work. These persons may be either car owners or non-car owners. Failing to form such a club the applicant must prove that he cannot carry three or more other persons but is carrying as many as he can, and that alternative means of transportation are inadequate.

Application blanks for these supplemental rations may be obtained upon request when motorists register for their basic books on July 9, 10 and 11 in the public schools. Registrars, however, will be instructed to issue only the basic books: "A" books to car owners and basic "D" books to motorcyclists. The application blanks for supplemental rations when filled out, are to be presented in person, or mailed to a local rationing board for action.

Such applications may be filed with the board any time after the basic book is obtained. While local boards will receive applications beginning July 9, OPA pointed out that the filing need not necessarily be done before July 22, when the plan goes into effect. Holders of "A" books can use the first eight coupons in that book while they are in process of getting supplemental rations.

The "B" book of 16 coupons may be issued an applicant who shows that his occupational driving exceeds the 150 miles per month provided by his "A" book. This "B" book must last for a period of three months, thus giving the applicant 320 miles of additional driving a month. This mileage figure is reached by multiplying 16 coupons by four gallons by 15 miles to the gallon, and by dividing by three months.

Thus a total of 470 miles a month (150 from the "A" book and 320 from the "B") are possible for occupational driving under the plan. But an applicant who can show that he needs more than the "A" book, but less than the full amount of the "B" book will have his supplemental ration book "tailored" by extending the expiration date of the book beyond the three-month minimum. A "B" book might be made to last four months, or five months, or six months, or a year. Local boards will be provided with tables determining the date of expiration on the basis of monthly mileage allowed in the application.

Before issuing a "C" book a local board must see that the applicant's needs cannot be met by an "A" book, or an "A" book plus a "B" book. In other words, his occupational driving must exceed 470 miles a month. He must also have met all the requirements for a "B" book, and in addition must belong to a category of users recognized as essential to the war effort and to the public welfare. Services for which "C" books may be issued include medical care, maintenance of public utilities, carrying farm labor, giving religious comfort or assistance, and making official trips on government business.

The "C" book will be issued for three month periods. While a full book will contain 96 coupons, the board will tear out coupons to "tailor" each book issued to fit the applicant's needs. More than one "C" book may be issued if necessary.

Local rationing boards are given specific instructions not only in considering applications for supplemental rations, but also in issuing rations for types of users other than those in the "A", "B" and "C" and "D" groups. Such types include trucks, taxis, busses, hearses, ambulances, rental vehicles and Government cars for which "S" books will be issued, and non-highway uses for which "E" and "R" books will be issued.

All applications for "S", "E" and "R" books are to be made at the rationing boards, beginning July 9.

Trucks, taxis, ambulances and Government vehicles may be issued one or both of the two types of "S" books. Operations of these vehicles will be controlled but, with some exceptions, will not necessarily be curtailed by the rationing plan. In no case, will rations provide for more mileage than applicants are permitted by orders or regulations of other government agencies.

The "S-1" book will have 96 coupons worth 5 gallons each, while "S-2" books will have 384 coupons of the same value. The coupon value is subject to change. Applicants may be issued either of the "S" books, or both, as may be needed to meet their requirements for a four month period. Individual requirements are to be met by tearing coupons from the books.

Motorcycle operators entitled to supplemental rations will be issued additional "D" books, tailored to individual needs by tearing out certain of the coupons. "D" coupons will be worth 1.5 gallons each.

Non-highway rations for inboard and outboard motor boats, farm machinery, gasoline engines, cleaning and dyeing establishments, etc. will be issued through the "E" and "R" books good for a six-month period. Each book will have 48 coupons. The "E" book will have 48, a unit value of one gallon each and "R" books will have 93 valued at five gallons each. They may be issued in such combination as to meet needs shown by the application. Both will be tailored by tearing out coupons.

Explaining that rationing of gasoline in the East is necessary to conserve a supply drastically cut by lack of transportation facilities, the instruction handbook points out how the coupon plan will achieve this purpose.

Coupons will be distributed to all users on the basis of need, except for the basic ration for private passenger automobiles and motorcycles. These coupons, which must be exchanged for any purchase of gasoline, will form the basis of a rigid audit system controlling all movement of gasoline. From the user the coupons will flow to dealer and to intermediate distributor. Then, while the coupons themselves may be exchanged at a War Price and Rationing Board for Exchange Certificates, control forms will proceed through the licensed distributor and State Tax Administrator to the Fuel Rationing Division of the Office of Price Administration. Thus at every step of the marketing and distribution process, the flow of gasoline will be controlled by the provisions of the rationing plan.

OPA pointed out that a check of audit control forms with records kept by State Tax Administrators for purposes of collecting gasoline taxes should be an effective means of detecting and stamping out black market activities.

The handbook contains instructions directed specifically to State OPA Directors, to local custodians of all forms and documents connected with the plan, to county and city superintendents of schools who will be responsible for setting up organizations for registering motorists in their localities, to school site administrators, to registrars, and to members of local War Price and Rationing Boards.

The instructions also describe the procedure for the registration of dealers and distributors with the War Price and Rationing Boards. All dealers and intermediate distributors — but not licensed distributors—must report to the Boards the amount of gasoline in their stocks as of the first opening of business on July 22, 1942. In exchange they will receive inventory coupons covering the difference between their inventory as the effective date of the rationing plan, and their tank capacity. These coupons will enable them at any time to build up their stocks as they are able to obtain new supplies from the supplier or distributor and will also make it possible to use a spot-checking method for determining whether the dealer or distributor is complying with rationing regulations.

At the same time the dealers and distributors will receive forms for keeping a record of their sales under rationing, as well as gummed coupon sheets to which they are to paste coupons turned in by their customers before turning them into suppliers or to Rationing Board.

Car owners away from home on the registration dates may apply for their "A" books at a school site wherever they may be, or if they are outside the rationed area, they may register later with a local War Price and Rationing Board, but not before July 24.

Stations May Allot "Gas"

According to an Associated Press dispatch from Washington, the Office of Price Administration on June 24 ruled that filling stations whose gasoline supply is insufficient to meet all consumer demands under the rationing program may give preference to defense workers, trucks and ambulances. The dispatch goes on to say:

"The revision of original regulation, which prohibited a dealer from discriminating among consumers legally entitled to gasoline, was embodied in an amendment to the rationing regulations which expire July 22, the date of the start of the permanent ration plan in Eastern States.

"The amendment also makes persons engaged in experimental work contributing to the war effort, and in scientific expedition, eligible to receive supplemental rations of gasoline.

"Before showing preference to one or more of the classes of consumers, a dealer must post a notice of his intention to do so and specify in the notice which class or classes of consumers are to get preferred treatment.

"OPA defined a 'defense worker' as an executive or employee at naval, military or hospital establishments; public utilities plants, including public transportation and communication systems; and plants producing machines, munitions and other war materials."

Eccles Urges Keeping Living Costs Down, And Discouraging Credit Instalment Buying

The urgency of complying with President Roosevelt's 7-point program to keep the living costs from spiraling upward, was stressed on June 24 by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in speaking at Washington over the Mutual Broadcasting System. Directing his remarks specifically to the 7th point in the President's program, Mr. Eccles said "you will recall that this point stressed the importance at this time of discouraging credit and instalment buying and encouraging the paying of debts." In part, Mr. Eccles continued:

> The reasons for asking you to pay your debts and to refrain from buying unnesessarily, at this time—the reasons why this is the time to save, to pay taxes and to invest in War Bonds—should be made clear to you so that you will give your support to the President's program, for it is devised in your interest.
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> You are aware that national income is rapidly going up. It is going up because the Government is approaching an expenditure of 150 million dollars a day for war purposes. It is expected to increase to 200 million dollars a day before the year ends. It is this huge expenditure which is rapidly expanding national income, which is the sum of all wages, salaries, dividends, rents, interest and other income received by individuals—and approximately two-thirds of it represents wages and salaries.
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> Today our national income is running at the rate of close to 110 billion dollars a year. It is estimated that it will soon reach a rate of 117 billion dollars a year. Even in 1929 national income was 30 billions less than it is right now. It is still increasing. And this is happening at the very time when there are fewer and fewer things for us to buy.
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> If we had the plants, the labor forces, the raw materials, to turn out more and more war supplies and at the same time turn out more and more civilian goods, there wouldn't be any problem. The more money you had, the more goods you could buy. But, of course, that is not the case because there are limits—including time limits—on our ability to produce war supplies for ourselves and for our allies and at the same time produce for civilian consumption. Since our very existence is at stake, war production must have the right of way over everything else. That means more and more of our industrial resources and manpower must be used for war production, less and less for civilian production. It means more munitions, planes, ships, tanks. It means fewer automobiles, refrigerators, houses, and many other things that are available in peacetime.
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> Clearly, then, there is but one course open to us. We must go without things we can't buy. We should go without things we do not need to buy. There is no real hardship, no great sacrifice, in this. There is adequate food, clothing and shelter, and we can make things last longer.
>
> One objective of the President's program is to see that what is available is as fairly distributed as possible. Another objective is to keep the rising pressure of spending power from flooding our markets and driving up prices—not just the prices of civilian goods, but the prices of war materials as well. We must not let that happen. It would impair our war efforts.
>
> * * *
>
> For the same reasons you are asked not to go into debt to buy things. You are asked to pay much heavier taxes than ever before because this not only helps pay for the war, as do your investments in War Bonds, but it helps keep your dollars from bidding up prices. You are asked not to seek higher wage rates, salaries, dividends, and other returns, and if you are a farmer you are asked not to seek higher prices, because such actions increase buying power but do not add to what you can buy.

Mr. Eccles further said that "if the Government's rapidly increasing expenditures and the consequent rapid rise in national income were accompanied by production of an equivalent amount of goods for you to buy, it would not be necessary to ask you in your own interest to comply with and support this program. But the Government's expenditures must go mainly for war production and not for the things for which you might spend your dollars." He added:

> Accordingly, the logic of the situation calls for Government policy designed to draw back into the Treasury out of this expanding national income an amount equal to what the Government is spending. And this can be done through taxes and through the sale of Government securities. So far as the Treasury can in this way get back as much as it spends for war, the financing of the war is readily accomplished.
>
> More than that, however, the effects of this policy are threefold. First, it draws off the market money that might other-bid up prices. Secondly, spending power is reduced in relation to the supply of civilian goods. Third, the Government is able to finance the war without borrowing from the commercial banks—for such borrowing creates additional money, and may have highly inflationary effects.

The President's 7-point program outlined to Congress April 27 (and given in our issue of April 30, page 1708), proposed an "all embracing" plan for stabilizing the cost of living, and included the levying of higher taxes, the fixing of ceiling prices, stabilizing wages, rationing scarce commodities, purchasing war bonds, curtailing credit and instalment buying, and fixing farm product prices.

Brazil Coffee Export

Exports of coffee from Brazil during 1941 decreased by 998,933 bags of 132 pounds each from the 12,053,499-bag trade of 1940, according to advices made available by the Department of Commerce at Washington on June 23, which added:

> Twenty-one foreign markets of 1940 did not participate in the 1941 trade. Among these countries were Italy, Belgium, Greece, Holland, Norway, Denmark, Palestine, Syria, Algeria and Morocco.
>
> Purchases by the United States increased by 918,283 bags to a total of 9,804,811 bags during 1941.

From Washington

(Continued from First Page)

the Cabinet, for the Supreme Court. Any President seeking to name a Federal judge or a Federal official in a particular locality without getting the approval of the Senators from that locality, if they were members of his own party, was more than likely kicked down and put in his place. The Senate was, indeed, a powerful body. It made some Presidents, it broke others. A President under any circumstances, had to cater to the Senate.

In the past two and a half years we find the House frequently kicking over the traces, but the President continuing to exercise his power over Congress through his control of the Senate. In the pre-Pearl Harbor days, the Senate docilely acquiesced in his lend-lease proposals, the House was far more difficult. The House only passed the porposal to extend the term of the draftees, last year, by one vote. On two occasions the House had passed labor control legislation. In each instance the Senate, at the behest of the President, has checked it.

The situation is well understood in Washington today, in fact, that legislation to which the Administration is opposed can be gotten through the House, but not through the Senate. The House only recently denied an appropriation for the continuance of CCC, the Senate approved the Administration sponsored appropriation. The fact is that the Administration has been able to get any appointee it made confirmed in the Senate. No man went out of the Washington set-up more criticized for sheer inability, aside from his radical hue, than Rexford Tugwell. When Mr. Roosevelt after getting his third term, decided to give Rex another job, as Governor of Puerto Rico, Rex made not the slightest effort to disguise the fact that he intended to try out on the hapless Puerto Ricans the same experiments which he had in mind for reorganizing this country. The Senators tried not to hear what he said and confirmed him. The Puerto Ricans we gather, have been screaming ever since.

Why is this true? Why has the Senate become the lesser independent of the two bodies?

We have talked with a lot of our colleagues in an effort to find the answer. The best opinion is that the members of the House are reflecting the restlessness of the country, the impatience over inefficiency in Washington, the dissatisfaction with the progress of the war. They reflect this because every single one of them must face the electorate in November.

But the Senators with their six-year terms—they are generally older men and too many of them perceive the world to be in an upheaval which they can't control and are looking for the relative security which the President can give them in the way of Federal judgeships and the like. Too many of them are without hope of the legislative branch's regaining its lost prestige, and figure that it is every man for himself. There are specific instances of this thinking: Senators Schwellenbach of Washington, and Minton, of Indiana, two of the most vociferous New Dealers up until last year, two men who went to the bat with everything they had whenever a debate about the New Deal came up, yet never sought to hide their cynicism from their colleagues. And they both got Federal judgeships.

There are too many in the Senate today of similar minds. There are even more such minds in the House. But those fellows don't have a six-year term over which to attain their security. They've still got to keep their ears to the ground. It is an interesting commentary on things.

House Committee Acts On New Tax Program

(Continued from First Page)

would receive a refund of all over 80% of excess profits taxes paid on income received during and after 1942. Pointing out that the post-war credit provision was not controversial since it was proposed in the Treasury's tax recommendations, and backed by industry, the American Federation of Labor and the American Legion, the New York "Journal of Commerce" in advices from its Washington bureau June 23 added in part:

> The post-war credit program adopted today was suggested by Representative A. Willis Robertson, of Virginia, and provides for a refund of 14% of the adjusted net profits income.
>
> This in effect limits the excess profits tax rate to 80%. Although corporations must pay the full 94% excess profits tax for the taxable year 1942 and thereafter until after the war.
>
> Non-negotiable, non-interest bearing Government bonds would be issued to the corporations in the amount of the proposed refund of excess profits taxes.
>
> According to the Committee's action, bonds representing this refund would amount to "14% of the adjusted profits net income—the base on which the excess profits tax is computed. (Giving effect to the proposed refund, therefore, the net excess profits tax rate will be 80%)."
>
> Stating this in another way, the corporations will be issued bonds for the difference between their excess profits tax payments and the amount which they would have paid if an 80% rate on excess profits had been adopted.
>
> Under the Robertson plan, one-third of the bonds will mature at the end of the second calendar year following the cessation of hostilities; one-third at the end of the third calendar year after the cessation of hostilities; and one-third at the end of the fourth calendar year following the cessation of hostilities.
>
> The Robertson resolution adopted by the Committee also provides that the bonds will become negotiable after the cessation of hostilities. However, it is provided that the bonds will not be redeemable for the payment of either cash or stock dividends.
>
> The Robertson proposal also stipulates that the bonds cannot be used for the payment of bonuses or salary increases to executives or for the purchase of securities. Another restriction would prohibit the bonds from being used to increase cash reserves unless this cash reserve was used in the business.

On June 24 the House Committee voted to require the Post Office Department to raise the rates on third-class postage, for periodicals and advertising matter, enough to pay the cost of handling them. In Associated Press accounts from Washington June 24 it was stated:

> Representative Cooper, Democrat, of Tennessee, said it had been estimated that the department was suffering a $26,000,000 annual loss in delivery of that type of mail.
>
> The Committee directed the Post Office Department to submit a report before it raised either second or third-class rates. Second-class rates, affecting newspapers, would be raised a total of $78,000,000 under a Committee decision last week. It said this was the amount of the annual deficit in handling second-class matter.
>
> Mr. Cooper said the Committee also had approved a resolution to exempt from duty and internal taxes any goods sent to Axis prisoners in the United States. It also would apply to articles made by American prisoners in Axis countries and to articles imported for the use of armed forces of the United Nations in the United States.

The principal provisions of the bill, viz., the income tax and corporation tax, as well as the excise tax, features of the bill, were indicated as follows in Associated Press advices from Washington June 24.

INCOME TAXES

Personal exemptions lowered from $70 to $500 for single persons, from $1,500 to $1,200 for married persons; $400 credit for each dependent continued. Normal tax raised from 4 to 6%, with 10% earned income credit retained; surtaxes increased from 6% on first $2,000 to 12%. Beginning next January, 10% of income in excess of personal exemptions and credits will be deducted from pay checks to apply on taxes.

CORPORATION TAXES

Present excess profits rates ranging from 35 to 60% raised to flat 94%, with post-war credit equal to 14% of net income which is subject to this rate. Invested capital and average earnings alternatives continued for computing "excess profits." Combined normal and surtax rates—applied on income not subject to excess profits taxes—raised from 31 to 40% for corporations with income above $25,000. Specific exemption to which all corporations entitled raised from $5,000 to $10,000. Numerous provisions adopted for special hardship cases.

Here is the way a corporation with $1,000,000 of invested capital and a $200,000 net income would compute its taxes:

Net income—$200,000.

Specific exemption—$10,000.

Exemption on 8% of invested capital—$80,000.

Total credit—$90,000.

"Excess profits"—$110,000.

94% tax on $110,000—$103,400.

Normal tax and surtax, totaling 40%, on $90,000 income not subject to excess profits taxes—$36,000. Total taxes—$139,400. Post-war credit of 14% of excess profits base—$15,400.

Excise Taxes

Taxes on beer, wine, whiskey, cigarets, cigars, telephone and telegraph bills, parimutuel wagers, travel fares, freight and express transportation, and lubricating oil either increased or new taxes imposed. General sales tax defeated, as were proposals to tax soft drinks and to increase taxes on gasoline and transportation by pipe line.

Under date of June 24 the Associated Press reported that protests were beginning to pile up against the Committee's decision to grant certain corporations post-war refunds and to impose a 5% tax on transportation of freight and express.

A reference to the Committee's earlier action appeared in our June 25 issue, page 2393.

Crop Goal Depends On Scientific Farming

The crop goals set by the U. S. Department of Agriculture, calling for the greatest farm production in the country's history, cannot be attained "unless the very best farm practices prevail throughout the country," it was stated on June 19 by John A. Miller, President of the National Fertilizer Association, in addressing the organization's 18th annual convention at Hot Springs, Va. Among these practices and one of the most important, Mr. Miller stated, "is the proper use of the products of our industry, for it is estimated that 15% of our total crop production is the direct result of fertilizer use and that we would have to increase our crop area by 30,000,000 acres if we had no fertilizers." He further said:

"Consumption of fertilizers during 1941 totaled 9,264,000 tons, the largest consumption in all our history. Production of superphosphate and of potash salts were at peak levels, but there was a considerable shortage of nitrogen materials for direct use this spring. While the prospects for next season's supplies are good, with the exception of the uncertainty in the nitrogen situation, our industry must assist the Government in every way possible to see that each pound of plantfood is used to the best advantage of the country as a whole."

Mr. Miller is President of the Price Chemical Co. of Louisville, Ky. Charles J. Brand, Executive Secretary and Treasurer of the National Fertilizer Association, in his remarks at the convention, stated that "last year's fertilizer consumption was the largest in our history." He added:

"The average plantfood content of mixed fertilizer in 1925 was only 16%—now it is over 20%. In fact, if this improvement had not been made it would have been necessary to handle, ship and apply 1,430,000 more tons of fertilizer and fertilizer materials in order to get as much plantfood on to American farms as were used in 1941, or 11,000,000 tons instead of the 9,264,000 tons actually used.

"Because of the work that has been done by our Association during the past 17 years we are now able to give the Government agencies that are dealing with war emergency problems, information concerning our industry and the use of fertilizers which we hope is helpful not only to the Government but to farmers and to the entire production program."

T. E. Milliman, Chief of the Agricultural Chemicals Section of the War Production Board, stated that the interests of farmers can be served best in so far as the distribution of needed crop fertilizers is concerned, by full cooperation between the various agencies of Government, the State Land Grant Colleges and the fertilizer industry. He added that a series of conferences is now being held in all fertilizer-using regions to determine the fertilizer needs of crops and to reduce the number of grades of fertilizer to be sold during the war period to the minimum number needed.

Dr. Clarence Poe, President and Editor of "The Progressive Farmer," of Raleigh, N. C., stated at the convention that "while service and not exploitation would seem to be the world's keynote in the years just ahead, I do not wish to see Government take over all the functions of private business. I fear that without competition and the profit motive retrogression and dry rot set in in many fields of production and industry."

"Progress in the development of scientific aids to the economic production of crops has been rapid since the last war," Prof. Robert M. Salter, chief of the Bureau of Plant Industry, U. S. Department of Agriculture, said in addressing the convention on June 20. He observed that "plant breeders have produced varieties and strains of grains, forage and fiber crops, vegetables and fruits that are higher yielding and superior in quality than the crops that were grown only a few years ago." He likewise stated:

"As a result of a research program that has been carried on for more than 20 years and which is now nationwide, machinery for planting and fertilizing most every crop has been improved, and the increased yields obtained through better methods of applying fertilizers are worth many millions of dollars annually."

Hull Praises Russia's Stand Against Nazis

Secretary of State Hull, in a message to V. M. Molotov, Soviet Commissar for Foreign Affairs, praised the Russians upon the success with which they have resisted the aggression of Nazi Germany in the past year and expressed confidence "that before the end of another year the instigators of this war will have been given to understand how seriously they have underestimated the determination and the ability for effective action of the peace-loving nations." Secretary Hull's message follows:

> I extend through you to the government and people of the Soviet Union on behalf of the government and people of the United States congratulations upon the success with which you have resisted the brutal aggression of Nazi Germany and have thus frustrated the plans for world conquest so overconfidently laid by our common enemy.
>
> For one year the peoples of the Soviet Union have been engaging the armies not only of Nazi Germany but also of those other European countries the governments of which have accepted Nazi dictation.
>
> In this struggle the armed forces of the Soviet Union, with the heroic support of the entire population, have so acquitted themselves as to win the admiration of the liberty-loving peoples of the world and to earn a place in history besides those Russian armies which over a century and a quarter ago did so much to ruin the plans of another aspirant to world conquest.
>
> During the past year the American people, although themselves threatened by aggression from several directions, have gladly shared their arms and supplies with the Soviet Union. It is planned that during the coming year these arms and supplies will pour forth from our factories and countryside in an ever widening stream until final victory has been achieved.
>
> We are confident that before the end of another year the instigators of this war will have been given to understand how seriously they have understimated the determination and the ability for effective action of the peace-loving nations and will have learned that in an aroused world aggressors can no longer escape the consequences of acts resulting in human suffering and destruction.

Returns To Australia

Dr. Herbert Vere Evatt, Australian Minister for External Affairs, returned to Melbourne on June 22 after completing a special mission in Washington and London. Dr. Evatt had arrived in the United States on March 18 to confer with President Roosevelt on the Pacific theatre of war operations. During his stay here the President set up a consultative body, known as the Pacific War Council, giving recognition to Australia and New Zealand as well as the United Kingdom, Canada, China and the Netherlands; this was reported in these columns April 9, page 1446.

New British Minister Here

Harold Beresford Butler, new British Minister to the United States, arrived in New York on June 21 by trans-Atlantic clipper. Mr. Butler will be Director General of the British Information Services, succeeding Sir Gerald Campbell. He had served as Commissioner for Civil Defense of the southern region of England since 1939. Mr. Butler previously had been associated with the International Labor Office in Geneva from its inception, first as Deputy Director from 1920 to 1932 and then as Director to 1938.

OPA Makes Sugar Ration Stamps Valid For 4 Weeks

The Office of Price Administration announced on June 17 that sugar ration stamps numbered 5 and 6 will be valid for a four weeks period and good for two pounds each but the ration will remain unchanged at half a pound a week. The first four stamps in the ration books were valid for two weeks and good for one pound of sugar. Doubling the life of each stamp, OPA officials explained, is designed as a matter of convenience to storekeepers and other distributors.

Under the changed plan, Stamp No. 5 will be good for the purchase of two pounds of sugar during the period between June 28 and midnight July 25, and Stamp No. 6 from July 26 to Aug. 22. Stamp No. 4, now valid for one pound of sugar, will expire on June 27. The OPA said that the period of validity of subsequent stamps will be announced some time before Aug. 22.

In another amendment to the rationing regulations, the OPA permits industrial and institutional users to obtain their sugar allowances for two-month periods, an extension of one-month over the present quota periods.

The Department of Agriculture, in a recent survey of the world sugar supply situation, indicated that the United States supply will be the smallest in two decades because war demands on shipping are preventing the movement of sugar to the American mainland and due to the meeting of lend-lease commitments.

The present voluntary system of sugar rationing in Canada will be replaced on July 1 by sugar coupon books, Donald Gordon, Wartime Prices and Trade Board Chairman, announced on June 17. The individual allowance of one-half pound per week will continue unchanged.

Meanwhile, sugar refiners and producers are urging the OPA to raise the domestic ration to a pound a week per person in view of the improved supply situation and because many warehouses throughout the country are overflowing and need storage space for this year's production.

Roberts Named Head Of N. Y. Sav. Loan League

The officers of the New York State League of Savings and Loan Associations for the year 1942-43, elected on June 10, at the League's 55th annual convention at Saranac Inn, N. Y., are: Clarance J. Roberts, Carthage, N. Y., President; George C. Rogers, Monroe, N. Y., Vice-President; and Zebulon V. Woodward, New York City, Executive Vice-President.

Total assets for the 258 savings and loan associations in the State reached a new all-time high of $476,058,641 during 1941, an increase of $28,570,978 over the previous high mark of 1940, Mr. Woodward told the meeting on June 10. This increase is all the more noteworthy, he added, since there were four less associations at the end of 1941 than 1940. Mr. Woodward said that this continues the upward curve of increasing assets each year since 1935, the total gain for the six years being $119,477,140. He also reported that the total volume of mortgage loans also was higher in 1941, increasing $29,447,903 over 1940.

Edward H. Leete, New York State Deputy Superintendent of Banks, speaking on June 11, urged the executives present to build up the proportion of cash and marketable investments in their associations to 10 and preferably 15% of free shares and borrowed money. He also suggested greater efforts to inform shareholders of the nature of their interest in the association. Mr. Leete also stated:

> Undertake to teach your shareholders the difference between their relation to the association and that of a depositor to a commercial bank.
>
> Point out that they are partners in the ancient, honorable, and sound business of lending money on first mortgages; that, as shareholders, they are receiving larger dividends than they can get as depositors in other financial institutions, and that one of the reasons for the better return is because their funds are invested in long-term obligations, sound but not quickly realizable.

Mr. Leete recommended share insurance and urged the State-chartered associations to take the steps necessary to meet the requirements of the Federal Savings and Loan Insurance Corporation.

President Signs Army-Navy Pay Bill

President Roosevelt signed on June 16 the legislation increasing the pay of men in the armed forces. Final Congressional action on the measure came on June 11 when the Senate by a 69 to 0 vote adopted the conference report which the House had approved on June 10.

Under the bill pay increases are provided for seven grades of enlisted men in the Army, Navy, Marine Corps and Coast Guard, while the only grade of commissioned officers who will receive base pay increases are Navy ensigns and Army second lieutenants —$300 annual pay raise.

The pay of Army privates and apprentice seamen is raised from $30 a month to $50, and that of first class privates and seamen, second class from $36 to $54. Corresponding raises are provided for higher grades. These pay rates are for service in the United States—a 20% further increase is added for service outside the continental United States.

The bill also raises the rental allowances for officers.

Previous reference to the bill was noted in these columns June 11, page 2205.

Peruvian Cotton Purchase By U. S. Not For Import

The Commodity Credit Corporation plans to buy but not import 200,000 bales of Peruvian cotton, it was reported on June 15. Present plans of the CCC, it is said, call for storing the cotton in Peru, possibly for the war's duration, for later export sale to countries other than the United States. In advices from its Washington bureau on June 15 the New York "Journal of Commerce" stated that the CCC officials dismissed as pure rumor reports that the CCC is buying 400,000 bales of Peruvian cotton for a total of $44,000,000. The advices to the paper indicated added: "Under the agreement, they emphasized this Government can purchase a maximum of only 200,000 bales, and its purchases may not approach that maximum. The price the CCC will pay for Peruvian cotton is less than half the per bale price of 400,000 bales at $44,000,000."

More Navy Blimps

President Roosevelt signed on June 17 the legislation authorizing the Navy to build or acquire up to 200 lighter-than-air craft.

When this measure originally passed the Senate on May 27 it provided for the acquisition of 72 blimps, representing an increase of 24 over the 48 previously authorized. At the request of the Navy Department the House on June 8 raised the limit to 200 and the Senate on June 11 concurred in this change.

The Navy requested the measure because of the valuable assistance this type of craft has rendered in the defense against submarines.

U. S. And Belgium Sign Master Lend-Lease Accord

The United States and Belgium on June 16 signed a lend-lease agreement similar to the pacts previously entered into by Great Britain, China and the Soviet Union. The agreement, signed by Secretary of State Cordell Hull and the Belgian Ambassador, Count Robert van der Straten-Ponthoy, was offered to Belgium on June 8 as was noted in these columns June 11, page 2203.

The State Department observed on June 16 that the signing of the agreement "adds Belgium to the growing list of those countries who have pledged their material, as well as spiritual, resources to a common victory of the United Nations."

The Department further said:

> As in the other agreements, there is embodied in this with Belgium the firm assurances that the Governments of the United States and Belgium will collaborate to the fullest extent in promoting mutually advantageous economic relations by means of agreed action open to the participation of other like-minded countries.

Confers With FDR On Wages In Bahamas

The Duke of Windsor, Governor of the Bahamas, held a three-hour luncheon conference with President Roosevelt at the White House June 15 discussing the "affairs in the world in general and, of course, affairs in the Bahamas." The Duke said that a wage adjustment was being worked out on American military projects in the Bahama Islands in order to prevent a recurrence of rioting by native labor over the disparity between the wages they were receiving and those paid to American workers. He said that American troops did some general guard duty but "were not brought in to quell the civil disturbance."

The Duke and Duchess arrived in Washington on June 1, at which time they were luncheon guests of the President and Mrs. Roosevelt. Because of reported "labor disturbances," the Duke returned on June 2 to Nassau (Bahamas) but with an adjustment of the troubles he again visited Washington a few days later.

Bicycle Inventory

Total United States stocks of adults' new bicycles, soon to be rationed, was 150,668 as of May 8, according to inventory reports filed with the Office of Price Administration. This figure, said the OPA on June 16, while not final, is substantially larger than preliminary reports had indicated. It includes 122,243 in dealers' and distributors' stocks and 28,425 held by manufacturers. Of the 150,668 total, 114,008 were men's bicycles and 36,660 women's. Dealers and distributors held 92,580 of the men's style and 29,663 of the women's, while the breakdown of manufacturers' inventories showed 21,428 and 6,997, respectively.

July Rate Of Oil Output Increased

Harold L. Ickes, Petroleum Coordinator, on June 22 authorized an increase of 200,000 barrels in the daily production rate for July over June of all petroleum liquids. Mr. Ickes's recommendation is for production of 3,833,800 barrels, compared with 3,636,300 for this month, in the 20 oil-producing States. The Texas quota was increased by 145,800 barrels daily. Mr Ickes said most of the increased production recommended has been made possible by improvement of pipe line, barge and rail transportation facilities out of the Gulf Coast area.

Organizes Food Supply

To assist in handling new responsibilities imposed on the Department and the Secretary of Agriculture by the creation of the new Foods Requirements Committee of the War Production Board, Secretary Wickard announced on June 15 new appointments of four Department officials. The Secretary also announced changes affecting the immediate Office of the Secretary and the Office for Agricultural War Relations, the Secretarial staff office for liaison with war agencies. In making this known the Department on June 15, said:

> Former Governor M. Clifford Townsend of Indiana has been named Administrator of the Agricultural Conservation and Adjustment Administration succeeding R. M. Evans, who recently was appointed a Governor of the Federal Reserve System.
>
> Governor Townsend left the directorship of the Office for Agricultural War Relations to assume the ACAA post. To succeed him, Secretary Wickard appointed an assistant, S. B. Bledsoe, who will continue to be a member of the Secretarial staff. The Secretary appointed another of his assistants, H. W. Parisius, Associate Director of the OAWR.
>
> To provide liaison between the Department's economic and statistical services and the food supply planning functions of the Foods Requirements Committee, the Secretary created a new Division of Foods Requirements in the OAWR. This division will be headed by D. A. Fitzgerald, formerly of the Bureau of Agricultural Economics.

French Africa Trading

On a limited scale the shipment of supplies between the United States and French North Africa is being resumed, Secretary of State Hull announced on June 12.

In reporting this announcement, Associated Press accounts said:

> Trade with Vichy controlled French North Africa was abruptly suspended in mid-April, when the collaborationist leader, Pierre Laval, returned to power.
>
> Two ships loaded with food and other non-military supplies were at that moment about to sail for North Africa. They were held in port, and Undersecretary of State Welles indicated they would be held there indefinitely pending further developments.
>
> What caused the Government to lift the embargo was not disclosed. In answer to questions, Secretary Hull said the decision had been reached after due consideration of all the pros and cons.

Chgo Home Borrowings Up

A seasonal upturn in April of 16.2% in dollar volume over March brought home-owner borrowings from all sources up to $36,429,000 in Illinois and Wisconsin, the Federal Home Loan Bank of Chicago reported on June 20. This it is stated is more than was borrowed in five of the months in 1941 and greater than in any month of 1940. The demand for home owner funds was only 9.7% off from April, 1941.

New Cotton Exch. Members

At a meeting of the Board of Managers of the New York Cotton Exchange held on June 22, the following were elected to membership in the Exchange: A. C. T. Beasley, cotton merchant, of Memphis, Tenn., and Edward Elmont Aronson, cotton merchant, of Memphis, Tenn. Mr. Beasley and Mr. Aronson are members of the Memphis Cotton Exchange.

Yugoslav King Visits U. S.

King Peter II of Yugoslavia was officially welcomed in Washington on June 24 by President Roosevelt and was guest at a dinner in the White House in the evening. The 19-year-old King arrived in Washington on June 21 by airplane but was travelling incognito until the official program of his visit began. He conferred with the President and Prime Minister Churchill of Great Britain up to a late hour on June 24 discussing, it is intimated, lend-lease aid. On June 25 King Peter made brief addresses before the Senate and House pledging that his nation will strive for the four freedoms set down by President Roosevelt. The King on June 26 visited Walter Reed General Hospital in Washington where he met five wounded aviation heroes of the Pacific campaign. Later that day he visited the Red Cross headquarters, had dinner with Secretary of State Cordell Hull and made a special radio broadcast.

Following the conclusion of his stay in Washington, the King will be entertained in New York City. He later will inspect war production plants.

Cotton Penalty Rate Fixed

The Department of Agriculture announced on June 27 a preliminary cotton marketing quota penalty rate of 8 cents a pound for the 1942-43 marketing year. Under the terms of amendments to the Agricultural Adjustment Act of 1938, loans will be made by the Commodity Credit Corporation at 85% of the parity price on Aug. 1, the beginning of the marketing year. The Department added:

> While the cotton loan rate will not be set until Aug. 1, early harvests necessitate an immediate estimate of the penalty rate for cotton marketed in excess of the farm marketing quota. Final marketing quota penalty and loan rates will be announced by the Department shortly after the start of the marketing year. Last year, the penalty rate was 7 cents a pound.

Fortas Nominated

President Roosevelt on June 18 nominated Abe Fortas of Tennessee to be Under-Secretary of the Interior, succeeding John J. Dempsey, whose resignation was accepted on June 17. Mr. Dempsey resigned in order to enter the race for the Governorship of New Mexico. Mr. Fortas is now Director of the Interior Department's Power Division and has been in Federal service since his graduation from Yale University in 1933.

Fly Renamed To FCC

President Roosevelt on June 15 nominated James Lawrence Fly for reappointment as a member of the Federal Communications Commission. Mr. Fly, who is Chairman of the FCC, was renamed for a term of seven years, from July 1, 1942. He also serves as Chairman of the Defense Communications Board.

Stettinius Added To BEW

Vice-President Henry A. Wallace announced on June 16 that, with the approval of the President, he had appointed Edward R. Stettinius, Jr., Lend-Lease Administrator, a member of the Board of Economic Warfare. Mr. Wallace is Chairman of the BEW. The other members are Secretaries Hull, Morgenthau, Stimson, Knox, Wickard and Jones, Attorney General Biddle, Donald M. Nelson, Chairman of the War Production Board, and Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Senate Bloc Opposes Export Of Silver

The Senate silver bloc is reported as opposed to Secretary of the Treasury Morgenthau's request for authority to send part of the country's silver stocks to other United Nations. According to an Associated Press Washington dispatch of June 20, Senator Pat McCarran (Dem., Nev.), designated as spokesman for Senators from States producing or interested in the metal, said the group had decided at a closed session that the Treasury "should retain its silver to back up our own currency." These advices further stated:

> "We are perfectly willing that silver be used in this country for non-consumptive purposes," the Senator said.
>
> Mr. Morgenthau, Commerce Secretary Jones and Chairman Donald Nelson of the War Production Board have urged legislation to permit use of Treasury silver to replace copper as a conductor of electricity in war plants, or its use in other operations where the metal might be reclaimed later.
>
> Mr. McCarran said the silver Senators had opposed sending any Treasury silver stocks outside this country on the grounds it might be used later to debase the value of United States money.
>
> "The nation with most of the world's gold and silver will be a powerful nation at the peace table that follows this war," he added.
>
> Mr. McCarran said that England had asked for 2,500,000 ounces of silver monthly for an indefinite period and that Australia and some South American and Middle East nations, including Iran and Turkey, also had asked for silver.

Greek King Visits U. S.

King George II of Greece was greeted by President Roosevelt and high Government officials on June 10 upon his arrival in Washington. The King, who is accompanied by his Prime Minister, Emmanuel Tsouderos, landed earier in the day at Baltimore in a Pan American clipper which had brought him part of the way from Cairo, Egypt.

Included in the formal reception group, besides the President and Mrs. Roosevelt, were Vice-President Wallace, Chief Justice Harland F. Stone, Senator Connally of Texas, Chairman of the Senate Foreign Relations Committee, and Representative Bloom, of New York, Chairman of the House Foreign Affairs Committee.

The King was guest of honor at a state dinner at the White House on June 10 and at a State Department dinner on June 11. The purpose of his talks with the President and Secretary of State Hull, it is understood, is to arrange for direct lend-lease shipments of American materials to Greek forces.

At a press conference on June 12, King George said that even though Greece is occupied by the enemy his country will fight on until a new world is established.

During his six-day stay in Washington the King visited Arlington National Cemetery, the Tomb of the Unknown Soldier, Mount Vernon, the headquarters of the American Red Cross, the U. S. Naval Academy at Annapolis and the Capitol.

On June 15 King George addressed both the Senate and House; in its account of this, the New York "Times" reported in part, as follows, from Washington, June 15:

> Dressed in the uniform of a Field Marshal of the Army of Greece, the Hellenic monarch emphasized to both Houses of Congress his hope that the sufferings of this war would result in a new and more equal order in which all nations would play their part in keeping the peace.

"The preservation of freedom," he said, "is not the obligation of any single people in any one part of the world; it is an obligation of all peace-loving peoples throughout the world. This simple truth is the baserock of international understanding and the cornerstone for cooperation between free men in the world to come."

Decency and justice, King George said, must govern relations among peoples in the postwar world, but he emphasized that those who had brought this scourge upon the world must be made to pay for their crimes.

"Above all else," he said, "it is vital that those who have fought the battle of right be secured against invasion, and the wrongdoers — including those who either for ulterior motives or simply because of weakness permitted themselves to become tools of the Axis—be impressed that predatory policies do not pay."

Vice-President Wallace introduced the King to the Senate, after which he went to the House, where Speaker Rayburn and Representative McCormack, majority leader, paid tribute to him and his people. King George read the same speech before both Houses.

On June 13, King George made a special plane trip to New York City to review part of the "New York at War" parade. He flew back to Washington later in the same afternoon.

The King arrived in New York City from Washington on June 16 and received an official welcome from Mayor F. H. LaGuardia at City Hall on June 17. In the afternoon he visited Columbia University where an honorary degree of Doctor of Laws was conferred on him.

During the next few days King George was the guest at various dinners in his honor by the Greek War Relief Association, the Mayor and his official reception committee, the Council on Foreign Relations, the Overseas Press Club and the American Hellenic Educational Progressive Association.

On June 20 the King reviewed the Corps of Cadets at the U. S. Military Academy at West Point and on June 22 visited Independence Hall, Philadelphia. After an inspection tour of war factories in a number of cities, the King plans to travel to Canada and remain there several days.

Davis Assumes Duties As War Information Head

Elmer Davis, Director of the new Office of War Information, was sworn in on June 17 and established his office at the headquarters of the Office of Facts and Figures, one of the merged bureaus. Mr. Davis first conferred with staff members of the OFF and then paid calls on Secretary of War Stimson and Secretary of the Navy Knox. He had luncheon with Vice-President Wallace and then visited the Bureau of the Budget, where he took the oath of office.

On the same day (June 17), the White House announced the appointment of Milton S. Eisenhower as Deputy Director of the OWI, to serve as administrative officer under Mr. Davis. Mr. Eisenhower is said to have drafted the Budget Bureau plan for consolidating into one new agency the information functions of the Government—foreign and domestic. He is a former land use coordinator of the Department of Agriculture and since last March has been directing the War Relocation Authority, providing a program for those persons removed from designated military areas in the interests of national security.

Merging of the information bureaus was reported in these columns June 18, page 2308.

Treasury Seeks New Billions In July, Aug.

Secretary of the Treasury Morgenthau announced on June 22 that the Treasury will have to borrow between $3,750,000,000 and $4,500,000,000 of "new money" in July and August. In addition, Secretary Morgenthau told his press conference the Treasury will continue to issue weekly $300,000,000 of Treasury bills.

During May and June the Treasury borrowed slightly more than $4,000,000,000 in "new money."

Mr. Morgenthau indicated on June 22 that the financing plans for July and August will be similar to those used recently. In May the Treasury sold $1,292,444,100 of 2% bonds of 1949-51 and $882,078,700 of 2½% registered bonds (so-called "tap" issue) and in June it offered $1,500,000,000 of ⅝% certificates of indebtedness of Series A-1943. These amounts were supplemented by the sale of $634,537,000 of War Savings Bonds and of about $355,000,000 of Treasury tax anticipation notes and increased bill offerings in May.

Pipeline, Barge Canal Approved For Florida

Reversing its previous action, the House on June 17 passed and sent to the Senate a bill authorizing the construction of one or more pipelines across Florida and a barge canal. This action came on a voice vote after the House had rejected a motion to recommit the legislation to the Rivers and Harbors Committee and eliminate the barge canal. In Associated Press accounts from Washington June 17 it was stated:

> The House action followed approval by Petroleum Coordinator Harold L. Ickes of the construction of an eight-inch pipe line to carry oil across Florida from the Gulf of Mexico to Jacksonville.
>
> Some informed Congressional quarters said that legislation would not be necessary to build the Florida line, under the terms outlined by Mr. Ickes. Nevertheless, the House went ahead with its plans to consider the bill, which would give President Roosevelt authority to approve the new conduit.
>
> The measure passed on a voice vote after two attempts to eliminate the barge canal had been defeated and an amendment authorizing construction of the pipe line from Tinsley, Miss., to the Savannah-Charleston, S. C., area had been accepted.
>
> Speaker Rayburn, Democrat, Texas, announced that a move to recommit the bill to the Rivers and Harbors Committee with instructions to eliminate the barge canal was defeated, 205 to 134. On an earlier teller vote, the membership voted down, 142 to 124, an amendment by Representative Dondero, Republican, Michigan, to eliminate everything from the bill but the Florida pipe line at an authorized cost of $10,000,000.
>
> On June 1, the House refused to pass the same bill under procedure requiring a two-thirds vote.
>
> In rejecting the bill on June 1, the House heeded warnings of opponents that it was the opening wedge in a new drive for construction of the controversial Florida ship canal.
>
> Approval by Mr. Ickes of the 220-mile pipe line across northern Florida marked the second time within a week that the Administration had acted to increase the flow of vitally needed gasoline and fuel oil into the eastern seaboard area. Officials estimated the line could be laid at a minimum cost of $3,500,000.
>
> Just a week ago today, the War Production Board approved immediate constructon of a 24-inch steel conduit from Longview, Tex., to Mount Vernon, Ind. The 550-mile line would deliver 300,000 barrels of oil daily at Mount Vernon, from where much of it would be transported by tank cars, barges and Great Lakes carriers to the Eastern seaboard.

The Florida pipe-line bill, passed by the House on June 17, is designed to relieve the Eastern oil and gasoline shortage; the estimated cost of the projects is $93,000,000. The bill also provides for enlargement and improvement of the Gulf and Atlantic intercoastal waterways and its extension to the Mexican border.

The refusal of the House on June 1 to authorize the projects was reported in these columns June 11, page 2213.

Returns To England

Oliver Lyttelton, British Minister of Production, returned to England by airplane on June 21 after a three weeks' visit in the United States. The object of his trip here was the "integration" of British war production with that of the United States through establishment of a joint production agency. Setting up of the Combined Production and Resources Board was announced in Washington on June 9 with Mr. Lyttelton as British member, and Donald M. Nelson, War Production Board Chairman, as the American representative (referred to in these colums of June 11, page 2202).

Since the Board will operate in Washington, Mr. Lyttelton will name a deputy to represent him.

Mr. Lyttleton said in London on June 24 that the United States' war production has passed that of Britain "forty or fifty days before we thought it would," according to Associated Press London advices, which further said:

> He told a press conference that the production of airplanes in the United States and Britain exceeded by a substantial margin the total aircraft output of Germany, Italy and Japan.
>
> He said that Britain would reach her production limit in a few months, but that there was no limit to American production except availability of raw materials.

Reduced WPA Fund Voted By Congress

Legislative action on the bill appropriating $280,000,000 for the 1943 fiscal year operations of the Work Projects Administration was completed on June 30 when the Senate adopted the conference report. The House had approved it on June 29. The bill also reappropriates $56,000,000 which are unobligated from last year's appropriations, making a total of $336,000,000 available to permit an average monthly employment of 400,000 persons on WPA projects.

For the 1942 fiscal year there was $875,000,000 appropriated for the WPA, with average employment at 1,000,000 persons.

President Roosevelt estimated in January that $465,000,000 would be required but reduced this figure by $185,000,000 on May 25 in view of the fact that many on the WPA rolls had obtained war work. (Referred to in these columns May 28, page 2037.)

The House originally passed the bill on June 11 by a vote of 279 to 52 and the Senate on June 25 by a voice vote. The measures were then sent to conference for adjustment of differences.

Before the House took final action on the appropriation measure on June 11 it defeated several motions to drastically curtail WPA activities.

By a record vote of 184 to 133 the House defeated a motion by Representative May (Dem., Ky.), Chairman of the Military Affairs Committee, to force the WPA to first obtain the approval of the Secretary of the War or Navy or the Maritime Commission Chairman before starting any new projects. This proposal was first approved by a teller vote of 101 to 84 but was later rejected.

Another motion by Representative Taber (Rep., N. Y.) to recommit the bill in order to reduce the total funds to $225,000,000 and to turn the administration of relief over to the States was defeated by a 184 to 139 vote.

Senator Taft, in recording in the Senate on June 25 his "opposition to any appropriation for WPA because any able man can find other more necessary work," is reported as stating that "the only way to get these men into war work is to stop WPA funds. There are many farmers, for example, who are unable to get manpower to harvest crops."

N. Y. War Bond Pledge Campaign Closes

The War Bond Pledge Campaign in Greater New York was officially ended on June 28 with the goal of 2,000,000 signed pledges said to be achieved. However some of the 200,000 "Minute Men" continued the drive in order to complete their assignments. When final tabulations are completed it is expected that pledges to invest in war bonds and stamps will exceed the $1,900,000,000 mark, which is the city's quota in the $12,000,000,000 national war savings quota. The campaign was launched on June 15 and was originally scheduled to close on June 24, but had been extended through June 28 in order to permit complete coverage of all the boroughs. John T. Madden, chairman of the drive, announced on June 22 that 98% of the homes visited had yielded at least one pledge. He added that between 60 and 65% of the homes in the city had been visited. The Treasury has requested all workers to invest 10% of their average income in war bonds and stamps for the duration of the war.

Previous reference to the drive was made in these columns of June 11, page 2218.

Argentine Representative To Be At Bank Conference

Argentina has accepted the invitation extended by the Inter-American Financial and Economic Advistory Committee to participate in a conference at Washington, according to word received in New York by the Argentine Information Bureau. The conference will commence on June 30 and will discuss hemisphere financial and economic procedure as recommended by the Rio de Janeiro conference. Argentina has nominated Dr. Edmundo Gagneux, sub-general manager of the Argentine Central Bank to attend the Washington conference, and he will be accompaned in an advisory capacity by Eduardo Grumbach, foreign exchange manager of the Central Bank and by Jose J. Brignoli.

It is expected that representatives from all the American Republics will be in attendance at the conference which will be in session for around 10 days. Previous reference to the meeting appeared in these columns June 4, page 2126.

Ramspeck Dem. Whip

Representative Ramspeck (Democrat) of Georgia, has been appointed majority whip of the House by Representative McCormack of Massachusetts, the majority leader. He succeeds the late Representative Boland of Pennsylvania. Mr. Ramspeck is Chairman of the House Civil Service Committee and ranking majority member of the House Labor Committee. Representative Boland's death occurred on May 18.

Aluminum Scrap Drive Far Below Expectation

The aluminum scrap campaign undertaken last summer made a "disappointing showing" in that the amount collected only reached 42½% of the total expected. In a report on the drive, the Bureau of Industrial Conservation of the War Production Board on June 19 said that the principal reasons for the failure to reach better results were that the Office of Civilian Defense undertook the campaign without adequate preparation and without the cooperation of dealers, who were not included in the program. Regarding the results disclosed in the report, the Associated Press advices from Washington June 19 said:

> The report, it was understood, showed that a total of about 11,200,000 pounds of aluminum and other scrap was collected—compared with the 20,000,000 pounds which had been predicted. Of this scrap, only 6,400,000 pounds was in the form of aluminum, contrasted with a 15,000,000 pound forecast.

Pointing out that only 57.4% of the total scrap collected, was in the form of aluminum, an account of the report from Washington to the New York "Times" June 19 had the following to say:

> The remainder was largely scrap iron with smaller quantities of copper, brass, pewter and other materials present. Actually, therefore, the amount of aluminum collected was only 42½% of the amount desired.
>
> The reasons for this disappointing showing are not difficult to discern. The collection was undertaken by the Office of Civil Defense without adequate preparation and without the cooperation of the dealers, who were left entirely out of the program. Also, the expected results were based on two sample drives of an intensive nature and should not have been regarded as typical.
>
> The delay in the shipment of aluminum scrap from the various concentration points to the plants of the smelters can be traced in large measure to the by-passing of dealers, since adequate facilities for cleaning, sorting and treating aluminum scrap were not available and smelters had to undertake this work themselves although they were not set up to do the job. Other causes for the delay were: Lack of adequate transportation facilities, failure on the part of local authorities to assume obligation in locating the scrap material, the failure on the part of local chairmen to notify us of the completion of their collection and the tendency of some smelters to delay the smelting of their aluminum scrap in the interest of their regular business.
>
> Several important lessons were learned from this campaign. The most obvious one, of course, was the impracticability of eliminating the dealers from any large-scale scrap collection campaign. Also it became apparent that considerable planning is necessary before a campaign of this kind is undertaken since most of the participants are not trained workers.

1943 Wheat Allotment

Secretary of Agriculture Claude R. Wickard on June 17 announced a 55,000,000-acre 1943 national wheat allotment, the minimum under the law, but asked wheat producers whose lands and equipment are suitable for growing other crops, needed more urgently in the war effort, to hold this land for those crops rather than plant it to wheat this fall. Announcement of the wheat allotment, which is the same as the national allotment in 1942. is the first important determination affecting farming operations for 1943, the Department points out. Goals and allotments for other farm crops will be determined later. Wheat farmers, however, it states, will soon begin plans for winter wheat seeding.

The Department's announcement further said:

> The national wheat allotment will be allocated among the States as in previous years. In areas where more urgently needed crops can be grown successfully, the war production plans to be worked out for individual farms will call for a wheat acreage substantially less than the allotment. In areas where wheat produces more feed grain per acre than other crops, however, farmers will be encouraged to plant their full allotment. In view of transportation and storage difficulties and continued need for livestock and dairy products, growers in areas where wheat is produced are urged to plan now to use as much wheat as possible for livestock feed.

"America will be going into the 1943 crop year with approximately a two-years' wheat supply," the Secretary said. "Consequently, even with relatively low yields, the 55,000,000-acre allotment will result in supplies well above any probable emergency. Domestic food requirements of 500,000,000 bushels could be produced on 40,000,000 acres." Mr. Wickard added:

> By helping farmers direct their production to needed crops, the wheat allotment is an integral part of agriculture's wartime program for 1943. The AAA committeemen will work out with each grower a war production plan that will enable him and his farm to make the maximum contribution to the war effort. Growers who carry out such plans will be in a position to benefit from such price supporting measures, loans, crop insurance, and conservation payments as may be offered under the program.

Treasury Warns Of Axis-Origin Dollars

The Treasury on June 17 announced, in line with its freezing control policy of prohibiting the importation into the United States of Axis-tainted dollars, the first serial numbers of currency en route believed to be of German origin. Officials said that similar information will be released from time to time with respect to any such currency which was known to have infiltrated into Latin America. In its announcement, the Foreign Funds Control Division of the Treasury Department said that a large amount of United States currency, a part of which is destined for Cuba, is known recently to have reached the Dominican Republic. This currency was brought into the Dominican Republic on a Spanish vessel, and there is good reason to believe that such currency is of Axis origin. The announcement further said in part:

> "It was further stated that the serial numbers of such currency had been obtained, and that there was a presumption that such currency would not be licensed for release in the United States under any circumstances.

* * *

> "The Treasury's enforcement officials have been instructed to seize any of this currency if any attempt is made to bring it into the United States. Banks and other institutions have been encouraged immediately to inform Treasury officials if they should, at any time, discover the presence of any such currency in this country.
>
> "Strict measures will be taken against anyone who is found to have brought such currency into this country in violation of our laws. the Department's officers said."

Complete Action On Aid Service Men's Dependents

The bill providing financial aid for dependents of men in the armed forces and also permitting deferments of married men from military service was sent to President Roosevelt on June 16.

Final Congressional action on the measure came on June 16 when the House adopted the conference report which the Senate had approved on June 15. The bill originally passed the Senate on June 4 and the House on June 8. Its signing by the President was announced June 24.

Under the basic section of the bill, the dependents of the men in the four lowest ranks of the Army, Navy, Marines and Coast Guardsmen are to receive allotments for their support. Deductions taken from the men's pay would be supplemented by Federal allowances.

The second section of the bill revises the Selective Service Act. As to this Associated Press accounts from Washington June 15 stated:

> That provision amends the Selective Service Act. As the act now stands, a man's wife and children are not reasons for his deferment unless they are actually dependent on his earnings for their livelihood. A working wife, who earns her own living, is not, for instance, presently a cause for deferment, but under the pending measure a draft board could take into consideration the undesirability of breaking up a home.
>
> Senator Edwin C. Johnson, Democrat, of Colorado, author of the measure, said he had been assured by selective service headquarters that the machinery would be set up in the local boards to see to it that men with wives and children would not be called into the service while single men were available.

Explaining the allotment section for financial aid to dependents, the Associated Press reports:

> The bill defines two groups of dependents, class A and class B. In the former are wives and children and former wives entitled to alimony; in the latter are parents, brothers, sisters and grandchildren.
>
> Where a service man has class A dependents, the deductions from his pay for their benefit are mandatory and amount to $22 a month. To this the Government would add $28 for a wife, $40 for a wife and one child, and $10 for each additional child; $20 for a child but no wife, and $10 for each additional child.
>
> Deductions for class B dependents would be optional with the service man and would amount to $22 monthly if there were no class A dependents and $5 monthly if there were class A dependents.
>
> The Federal payments to class B dependents would be $15 for one parent, $25 for two parents, and $5 for each brother, sister or grandchild designated for aid.
>
> The payments are effective as of June 1 but first payments, including accruals from June 1, are not payable until Nov. 1.

Alaska War Council

President Roosevelt in an Executive Order dated June 11 authorized the creation of an Alaska War Council, headed by Governor Ernest Gruening of Alaska. The President said the action had been taken for the purposes of "(a) promoting the safety of the citizens of the Territory of Alaska and of the entire North American continent; (b) securing the more effective and more efficient administration by the President of his powers as Commander-in-Chief of the Army and Navy as President, and (c) facilitating coordination of Federal civil policies, plans and activities of the military authorities responsible for the defense of the Territory."

The other members of the Alaska War Council are the ex-officio Commissioners for Alaska designated by the Secretaries of the Interior, Agriculture and Commerce, designated officials of the Federal Security Administration and the Federal Works Administration, a representative of the Attorney General, and a resident of Alaska to be elected by the Council itself.

The Executive Order provides that:

> It shall be the duty of the Council, and of the said special representatives with regard to programs and progress in their respective fields of activity, to maintain close liaison with the military authorities in Alaska to the end that for the duration of the war the conduct of Federal civil activities shall be brought into closest possible conformity with military requirements.

The Council will have authority under the Executive Order to "make such recommendations to the military and other Federal authorities as it deems desirable relative to coordination of Federal civil authorities with the military program and relative to the safety and security of the civilian population of Alaska."

Cotton Spinning Industry for May 1942

The Bureau of the Census announced on June 19, that according to preliminary figures 24,061,836 cotton spinning spindles were in place in the United States on May 31, 1942, of which 23,120,666 were operated at some time during the month, compared with 23,100,202 for April, 23,093,479 for March, 23,077,722 for February, 23,077,352 for January, 23,063,112 for December, and 23,004,082 for May 1941.

The aggregate number of active spindle hours reported for the month was 11,192,738,078. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during May 1942 at 138.4% capacity. This percentage compares, on the same basis, with 135.3 for April, 134.3 for March, 135.9 for February, 136.9 for January, 124.0 for December, and 121.7 for May 1941. The average number of active spindle hours per spindle in place for the month was 465.

President Lauds States For Aid In War Effort

President Roosevelt, in a message to the National Conference of Governors in session at Asheville, N. C., said on June 22 that the peoples of this world will determine "by their work, by their sacrifices and through the instrumentalities of their armed forces whether generations to come shall live and work as free men or slave states."

The President's message follows:

> My dear Governors:
>
> The Governors' conference meets this year at a most critical period in the history of our United States. Last year your conference dealt almost exclusively with problems of defense, a defense program which we all hoped would keep this country of ours out of the maelstrom of world-wide war, but at the same time prepare us for anything that might happen in a world torn loose from its moorings.
>
> Despite our efforts, however, we are in—all in—a war which in its very nature is a supreme struggle for survival. Within the days and months to come the peples of this world will determine by their work, by their sacrifices, and through the instrumentalities of their armed forces whether generations to come shall live and work as free men or slave states.
>
> The States have been in the forefront of our war effort; they have perfected the organization of their defense councils to handle all civilian defense activities; they have established and operated a selective service system which has met with universal approval; they have set up machinery covering every community throughout the country for rationing and price control and, in co-operation with the war agencies of the Federal government, recently they have eliminated many impediments which were hampering the war effort.
>
> I wish to take this opportunity not only to express my appreciation, and that of the nation, to the Governors of the several States for the aid and assistance which they have contributed during these trying times, but to express my unwavering confidence that the nation, the States, the counties and the municipalities all composed of the same people—Americans — will press on to victory.
>
> Very sincerely yours,
>
> FRANKLIN D. ROOSEVELT.

Candy Stressed as Food

That candy will continue to hold its place as an important low cost food item in the American diet in 1942 was brought out by representatives of the industry and the government at the 59th annual convention of the National Confectioners' Association held in New York from June 8 through June 11. War mobilization of the candy industry to meet wartime needs was discussed in the convention's business sessions with special emphasis placed on the problems of food materials and supplies and on the possible conversion of food plants to war work. Commenting on the present state of the candy industry, Philip P. Gott, President of the Association, said that sales of confectionery and chocolate products in the nation were up 36% during April compared with the same month last year, but estimated that this increase would not continue for the year in view of material shortages. The large increases to date, he said, was from the sale of product manufactured from inventories on hand.

The problems of the candy industry in securing agricultural products were dealt with in an open Raw Materials Forum at which Ellsworth Bunker, President of the National Sugar Refining Co., expressed the belief that present supplies of sugar were ample to take care of 1942 needs. Others participating in the discussion pointed out that the most serious problems of the candy industry today center on the shortages of cocoanut oil and cocoa.

Post At Steel Bldg. Inst.

Due to the increasing problems facing the industry, produced by the war and likely to be intensified by the peace, and in view of the resulting increase in work imposed upon the American Institute of Steel Construction, the Board of Directors of this organization have decided to create the position of manager and have engaged L. Abbett Post of New York to fill the office. It is announced that this appointment does not otherwise alter the staff of the institute in personnel or functions, all of which are continued. Mr. Post will have his duties assigned him by the Board of Directors and the Executive Vice-President. During the past year he has been attached to the Construction Branch, Production Division, of the War Production Board, in Washington.

Realtors, Lawyers Form Conference Group

Formation of a National Conference, consisting of representatives of the American Bar Association and of the National Association of Real Estate Boards was announced on June 13. The governing boards of both organizations have approved a resolution that it is in the interests of the public that realtors do not engage in the practice of law and lawyers do not engage in the real estate business, and that the National Conference should be organized to adopt and implement statements of principle defining the proper field of activity for each group. In its announcement the Association of Real Estate Boards says:

> The National Conference will consist of five lawyers and five realtors. Among its other activities it is to engage in the common effort to simplify laws and procedure governing real estate transactions and to reduce the cost thereof, to eliminate detrimental practices by either group, to consider any controversies which may be referred to it by either realtors or lawyers, to try to be of assistance in an advisory capacity to State and local Bar Associations and Real Estate Boards in the settlement of controversies and misunderstandings.
>
> The action by the two Associations followed a joint meeting held on May 5, 1942, at Memphis between the committee on unauthorized practice of law of the American Bar Association, of which Edwin M. Otterbourg, of New York, is Chairman, and David B. Simpson, Portland, Oregon, President of the National Association of Real Estate Boards, Herbert U. Nelson, Chicago, its Executive Vice-President, and Clifford W. McKibbin, Lansing, Michigan, Chairman of its Committee on Legal Rights.
>
> The National Conference is founded upon a recognition of the importance to the public both of competent disinterested legal advice in real estate matters and of expert real estate service by skilled and experienced brokers. Organization of the Conference will not in any way interfere with local agreements now existing between local Real Estate Boards and local Bar Associations, officers of the two groups point out. The Conference hopes to serve in an advisory capacity whenever called upon by Bar Associations or Real Estate Boards in matters with which both are concerned.

Plan Conservation Of N. Y. Transportation

Governor Herbert H. Lehman and Carroll E. Mealey, Commissioner of Taxation and Finance and Chairman of the War Transportation Committee, announced on June 16 the major points of a broad new transportation conservation program which is designed to assure the people of New York State adequate and comfortable transportation for the duration of the war. Gov. Lehman and Commissioner Mealey, speaking over a State-wide net work of the Columbia Broadcasting System, appealed to the people to cooperate with the newly established State War Transportation Committee, and local war transportation committees which are to be appointed immediately, in a united plan to reorganize existing facilities. Mr. Lehman said:

> We are going ahead with a rational and adequate program to assure transportation so far as possible for the people of New York State. We are proud that our State has always led in having the best obtainable transportation. Our goal is to continue to hold that leadership for the duration of this war. In that determination I ask your wholehearted, militant and willing support.

Both Gov. Lehman and Commissioner Mealey specifically promised the public that transportation problems would be studied and solved according to local needs and pledged that in requesting public cooperation as each step is initiated the people would not only be told what they should do but also why. Commissioner Mealey, listing eight major steps which must be taken to assure transportation throughout the war, declared that while the first job must be to get war workers to and from their plants, the conservation program gives full consideration to the needs of business and industry generally and even to recreational requirements.

Conservation of tires, gasoline and vehicles; improvement of mass transportation facilities, and widespread staggering of working hours are three of the primary steps listed by Commissioner Mealey as essential if the people of New York State are to have convenient and comfortable transportation for the duration.

Housing & Aviation Post-War Prospects

For the first time in American history it is claimed building is undergoing a real national mobilization and the new techniques and construction methods being developed in the war program are already so pronounced that it begins to appear that new housing and an expanded commercial aviation industry will emerge as the two greatest employers of workers in the immediate post-war period. A statement to this effect was made by Frederick P. Champ, President of the Mortgage Bankers Association of America in Milwaukee on June 16. Mr. Champ spoke before a joint noon meeting of the Milwaukee Mortgage Bankers Association and the Milwaukee Real Estate Board. Mr. Champ said that new methods and new techniques being developed in building war housing are cutting new patterns for new building in the future and added that he felt many of these innovations will work wonders in future new construction. The war has made many changes possible which a few years ago seemed insurmountable. Mr. Champ added:

> Business is gearing its activities to the war effort and if any business activity hampers that effort, it should—and is—being stopped. Every person and organization interested in housing and real estate development must re-examine and re-appraise their procedures to meet wartime conditions.
>
> In this national crisis — unprecedented in its grim possibilities and potentialities—there is absolutely no acceptable middle ground for usual business conduct in any field. In subjecting ourselves to rigid self-discipline in a whole-hearted effort to do all we can to help win the war, we as real estate men, builders and mortgage lenders have every right to ask similar self-discipline on the part of those who would use the war emergency to push legislative programs that have nothing to do with the war.
>
> Legislation with long-term social implications has no place in the war picture nor do appropriations which burden the national treasury with subsidies for peace time pursuits. Citizens and business men have a right to expect full team-work from legislators and Federal agencies in this crisis.

Reed Urges Govt. To Aid Small Business

Philip D. Reed, chief of the Bureau of Industrial Branches of the War Production Board, on June 10 urged the Federal Government to spend $200,000,000 annually to keep 24,000 small manufacturing plants in business.

Speaking at graduation exercises of the Polytechnic Institute of Brooklyn, where he received an honorary degree, Mr. Reed, who is Chairman of the General Electric Co., said that the 24,000 plants have no part in the war production program and could not continue because of a lack of materials. He added that a WPB survey showed they would be forced to shut down by October.

"The future of thousands of small communities is dependent upon the existence of these private plants," Mr. Reed asserted, "and if they cannot be preserved during the war and revived when it is over, a tremendous and imponderable change will occur in the structure of the social and economic life of America."

According to the Associated Press, Mr. Reed said one suggested remedy is creation of a Government agency to:

> Defray, during the period of enforced shutdown, the minimum fixed charges and maintenance costs of those plants which have been or will be closed.
>
> Make loans at favorable interest rates to those plants which, although not completely closed down as a result of war production orders, are unable to operate at a profitable level.
>
> Make loans, up to the fair value of frozen inventories, to those plants which have not unreasonable inventories of fully or semi-fabricated parts that cannot be finished and assembled into completed products without additional amounts of critical raw materials, and which are in need of and unable to obtain financial assistance.

May Second Largest Construction Month

The volume of construction contracts awarded last month was the second largest on record, having been exceeded only in August, 1941. The May total of building and engineering contracts let in the 37 Eastern States was $673,517,000, according to a statement released by the F. W. Dodge Corporation on June 13th. This was 35% greater than the total for the preceding month and 23% greater than the total for May, 1941.

Since the large May volume represented principally war construction, it was natural that non-residential building and heavy engineering work should predominate. Non-residential building contracts amounted last month to $297,885,000, compared with $234,939,000 in the preceding month and with $202,492,000 in May of last year. Heavy engineering contracts (public works and utilities) reached a total of $227,668,000 last month, compared with $101,706,000 in April and with $144,934,000 in May of last year. Residential building contracts (including army and war-worker barracks along with the other usual types of housing) amounted to $147,964,000 last month, compared with $162,097,000 in April and $201,274,000 in May, 1941.

The cumulative total of construction contracts for the first five months of this year, $2,533,461,000, represents a 26% increase over the coresponding period of 1941. Other five-month comparisons are as follows: Non-residential building, 40% over 1941; residential building, nearly 8% over 1941; heavy engineering construction, 32% over last year.

Inflation Must Be Curbed On All Fronts

At a luncheon meeting of the Kiwanis Club in Philadelphia on June 16, C. A. Sienkiewicz, Vice-President of Federal Reserve Bank of Philadelphia, declared that an attack on inflation must be made on all the basic fronts, and that every one must fully participate in the effort to curb it. These basic fronts, said the Philadelphia "Inquirer," he listed as heavy taxation, control of prices, stabilization of wage rates, rationing of essential commodities, the widest distribution possible of War Savings Bonds and other Treasury securities among investors other than commercial banks, and control of consumer credit. The "Inquirer" further reports Mr. Sienkiewicz's remarks as follows:

> He said an important part of the program is the cutting down of instalment and credit buying and the encouragement of the paying of debts. This, he said, would build up a backlog of demand through current saving for the post-war period when vast public expenditures are curtailed.
>
> "All the inconveniences, discomforts and hardships are but pin pricks in the face of the grave peril confronting us," Mr. Sienkiewicz added.
>
> "Obviously, controls such as we are facing will disturb the even tenor of the traditional pattern of living, as they are disturbing it in Great Britain and Canada. Compulsions are always distasteful in a democracy, but the hopeful fact is that, unlike totalitarian countries, they may be withdrawn when victory is achieved."
>
> In view of the size of the United States war financing program, the Federal Reserve official told the group it is essential that as much as possible of the needed funds should come out of taxes.
>
> "It is also imperative," he continued, "that as much borrowing as possible should come out of current income. This means the maximum purchase of War Savings Bonds by every one of us, if ruinous inflation is to be avoided or minimized. The resort to bank credit expansion increases buying power, which is already large, in the face of a shrinking supply of goods available for purchase. This tends to aggravate the upward spiral of prices and costs."

Hails New AEF Newspaper

President Roosevelt, in a message written for the first issue of "Yank," the new official Army newspaper, sent greetings to the "fighting men of our armed forces overseas" and said "you are not only fighting for your country and your people — you are, in the larger sense, delegates of freedom."

"Yank" is edited and published by enlisted men for the Army overseas and will not be distributed in this country. The initial issue appeared at a dinner in New York City on June 13 given the staff of "Yank" by the staff of its predecessor of the first World War, the Stars and Stripes.

Mr. Roosevelt's message follows:

> To you fighting men of our armed forces overseas your Commander-in-Chief sends greetings in this, the first issue of your own newspaper.
>
> In "Yank" you have established a publication which cannot be understood by your enemies. It is inconceivable to them that a soldier should be allowed to express his own thoughts. It is inconceivable to them that any soldiers—or any citizens, for that matter—should have thoughts other than those dictated by their leaders.
>
> But here is the evidence that you have your own ideas, and the intelligence and the humor and the freedom to express them. Every one of you has an individual mission in this war—this greatest and most decisive of all wars. You are not only fighting for your country and your people — you are, in the larger sense, delegates of freedom.
>
> Upon you, and upon your comrades in arms of all the United Nations, depend the lives and liberties of all the human race. You bear with you the hopes of all the millions who have suffered under the oppression of the war lords of Germany and Japan. You bear with you the highest aspirations of mankind for a life of peace and decency under God.
>
> All of you well know your own personal stakes in this war: Your homes, your families, your free schools, your free churches, the thousand and one simple, homely little virtues which Americans fought to establish, and which Americans have fought to protect, and which Americans today are fighting to extend and perpetuate throughout this earth.
>
> I hope that for you men of our armed forces this paper will be a link with your families and your friends. As your Commander-in-Chief, I look forward myself to reading "Yank"—every issue of it—from cover to cover.

Rail Brotherhood Gives $75,000 For War Effort

The Brotherhood of Railroad Trainmen, through its President, A. F. Whitney, on June 17 presented a check for $75,000 to Secretary of the Treasury Morgenthau to aid America's war effort, according to a Treasury announcement, which said:

"The money was contributed voluntarily by members of the Brotherhood to be used toward the purchase of an Army bomber which, they hope, 'will blast Tokyo or Berlin, or be successful in sprinkling iron daisies on the man that everybody hates.'

"The Brotherhood is an international organization, representing railroad men on all divisions of all railroads in the United States, Canada and Newfoundland. It has invested already more than $17,000,000 in Government securities.

"The international convention, scheduled to take place in 1943, has been abandoned, and the $1,000,000 which would have been spent to conduct it will be invested in War Bonds at the express wish of Brotherhood members."

Sea War Power Extended

President Roosevelt signed on June 16 an omnibus measure extending all wartime emergency maritime powers for the duration of the war and six months thereafter. According to Associated Press advices of June 17, we quote:

"Congressional committees were told that the broad authority over merchant ships was vital to the wartime program for ship construction and control of ocean shipping. The acts are administered by the Maritime Commission and the Administrator of War Shipping.

"Among the numerous powers extended were authority to enforce priorities on all ocean shipping and port facilities; to charter, purchase or requisition any idle foreign shipping in ports of this country; to negotiate for charter or construction of ships without competitive bidding; to determine subsidies, hours of labor and overtime wages on ships, and to dispose of charter vessels under terms of lease-lend or other acts."

President Praises Wagner And Brandeis

President Roosevelt on June 17 praised the contributions to the American way of life made by the late Justice Louis D. Brandeis, of the United States Supreme Court, and Senator Robert F. Wagner of New York. The President expressed these views in a message sent to the testimonial dinner tendered on June 17 to Senator Wagner for his work in connection with the campaign to perpetuate the name of Mr. Brandeis by the establishment of a refugee colony in Palestine.

Isidore Nagler, Vice-President of the International Ladies' Garment Workers' Union, as Chairman of the National Committee arranging the function, released the text of the President's letter which follows:

> June 13, 1942.
>
> My dear Mr. Nagler:
>
> I am pleased to learn from your yetter of June 2 that a testimonial dinner will be tentered in New York on June 17 to Senator Robert F. Wagner in connection with a campaign to perpetuate the name of Louis D. Brandeis, late Justice of the United States Supreme Court, by the establishment of a refugee colony.
>
> In sending my personal greetings to those present on this occasion, I hardly need to remind them that both of these eminent names are and will remain associated with the great endeavor to safeguard our free democracy. Their achievements, like those of thousands upon thousands of our fellow citizens, who, each according to his ability, have built this great Nation, are now threatened by the Axis aggressors. At this moment it is entirely appropriate that we pause, and in our own minds compare the character of the contributions made by the organizers of the so-called new order which grips Europe temporarily, with the character of the contributions to the American way of life made by Justice Brandeis, which most regrettably have come to an end; and those which have been made, and I am happy to say, are continuing to be made, by Senator Wagner.
>
> The humanitarian object of this gathering has my deep sympathy.
>
> Very sincerely yours,
> FRANKLIN D. ROOSEVELT.

Report Of Church Pension Fund

Reporting assets of $35,650,000 and current pension benefits of $1,390,000 a year, the 24th annual report of the Church Pension Fund of the Protestant Episcopal Church, issued on June 22, stresses the difficulties now being experienced by charitable institutions in respect to interest earnings on their invested assets. In a supplementary report, issued in conjunction with the regular annual report, Bishop Cameron J. Davis, President of the Fund, announces that the Trustees, at a recent special meeting on May 26, adopted a more cautious program of extra benefits beyond those originally promised, pointing out that the Fund is now paying total benefits which exceed the original plan by more than $354,000 a year. In a special letter to all of the clergy of the Protestant Episcopal Church, Bishop Davis says:

> It was because of fortunate conditions in the financial world and careful management that the Trustees were able to go far beyond the basic promises of the Fund in the extra benefits which they have paid to beneficiaries. Today investment conditions have changed, and the low rate of interest paid by high grade investments makes it necessary to reduce somewhat the program of extra benefits for future beneficiaries in order that the Trustees may fulfill their fundamental responsibility to safeguard the basic obligations of the Fund and to preserve its excellent financial condition.

He makes clear, however, that no existing pension is to be reduced and that the recent action taken by the Trustees refers only to future grants. The Fund now has about 2,500 beneficiaries and during the year 1941 it granted new pensions in the total amount of $122,208 a year.

Further advices regarding the Fund state in part:

> J. P. Morgan, reporting as Treasurer of the Church Pension Fund in which office he has served continuously for over 25 years, gives a detailed list of the investments and points out, in a footnote to the balance sheet, that the market value of the invested assets exceeds their book value by over a million dollars. Commenting upon the excellent investment position of the Fund, the report states that "the Trustees do not feel justified in sacrificing the present high-grade quality of the Fund's investment portfolio in an effort to increase the investment income at the risk of impairing security of principal, particularly under present conditions." Of the Fund's total investments, over 27% are in United States Government securities.
>
> In his report as Executive Vice-President, Bradford B. Locke points out that the assets of the Fund increased by approximately $600,000 during the course of the past year but that its liabilities, which are calculated on a full actuarial reserve basis, increased by approximately the same amount, leaving a surplus of $2,504,217 at the end of 1941.
>
> The report, in summarizing the results of the first quarter century of its existence, points out that the assets have grown from an initial reserve of $8,750,000 in 1917 to $35.650,000 at the end of 1941 and that in the meantime the Fund has paid out over $21,000,000 in pension benefits to clergymen and to their widows and minor orphans.

N.Y. Factory Employmt. Continued High In May

Although the factories of New York State employed about the same number of workers in May as in April, the constitution of the labor force changed considerably during the month, according to a statement issued on June 13 by Industrial Commissioner Frieda S. Miller. The hiring during the month of thousands of additional workers by war plants was counterbalanced by the release of many workers by plants making civilian goods. The Commissioner likewise says:

> A small number of large firms in the transportation equipment, ordnance, instrument and electrical goods industries continued to expand their production of war supplies. In the silverware, rubber and silk and rayon goods industries, several firms rehired a portion of the workers that had recently been laid off. Seasonal gains were reported by the beverage, fur goods and construction material industries. The great majority of other industries reported layoffs. The largest losses, reported by apparel plants, were caused by seasonal factors, usual in May. Sizable layoffs were reported by metal plants manufacturing tin cans, razors, heating apparatus, radios, agricultural machinery, castings, etc., as metal supplies for civilian use were curtailed sharply. Textile plants, making carpets and rugs and other woolen fabrics also laid off many employees due to material shortages.

Commissioner Miller's statement further pointed out:

> Both factory payrolls and average weekly earnings rose 2.1% from the middle of April to the middle of May. The granting of a large number of wage rate increases, ranging from 5 to 15%, by some firms in practically every industrial group was the main factor in producing these gains. Wage rate increases were widespread in the men's clothing, confectionery, knit goods, wood products, pulp and paper, drug, industrial chemical, rubber goods, abrasives, munition, nonferrous metal, machinery, aircraft and instruments industries. The rise in the cost of living of about 13% during the past year was one of the factors influencing the granting of the wage rate increases.
>
> The above statements are based on preliminary tabulations of the reports from 2,442 factories throughout the State. These firms employed 619,338 wage earners during the middle week of May on a total payroll of $24,345,131. The New York State Department of Labor's May 1942 index of factory employment, based on the 1935-39 average as 100, was 145.3 (preliminary), 13.5% above the May, 1941, figure. The corresponding payroll index, at 222.5, was 38.0% above last year's level. These data are collected, tabulated and analyzed by the Division of Statistics and Information, under the direction of Dr. E. B. Patton.

Upstate New York Industry Continues to Expand in May

Industry in Upstate New York has expanded much more as a result of the war than has New York City industry. Large plants making producers' goods, most of which are located outside of New York City, are more easily converted to the production of the military supplies required in the war than are the small consumers' goods plants of New York City. In May, 1942, New York City plants were operating with 30% more workers than in the base period 1935-39, while Upstate plants employed 58% more workers. Factory payrolls in New York City this May were 79% higher than in the base period; Upstate, they were 162% higher.

To Buy Costa Rica Rubber

The Rubber Reserve Co. will purchase the entire Costa Rican rubber crop for the next five years, except for small quantities to meet essential domestic uses there, the State Department announced on June 16. The agreement was signed between the Republic of Costa Rica and Rubber Reserve Co., the State Department and the Board of Economic Welfare, said advices to the "Wall Street Journal" from its Washington bureau, which added:

> By terms of the contract, Rubber Reserve Co., with the BEW, will finance development of Costa Rican rubber resources, which are believed to have "considerable potential" value in both the wild and cultivated product.
>
> Signing of this contract, the State Department declared, is "another step in the program of the United States to assure to the united war effort the maximum effective use of the rubber produced in the Western Hemisphere."
>
> Arrangements for purchase of Latin American rubber now have been completed with Brazil, Peru and Nicaragua, as well as with Costa Rica, and negotiations are proceeding with "other American rubber-producing countries," the Department said.

Urge Lifting Embargo On Argentine Beef

Removal of the United States embargo against Argentine fresh beef, which is readily accepted in other countries, would salve Argentine pride, eliminate a potent propaganda element used by our enemies and greatly improve Argentine-United States relations, according to the Conference Board, New York. While intellectuals in Argentina may jibe at our "materialism," at our political and social inconsistencies, and may have some misgivings about our intentions in Latin America, it is safe to assume, said the Board, under date of June 11, that most Argentineans are not pro-Axis and will resist any government which may attempt to lead them too far in that direction. The Argentine press, it continues, is conspicuously pro-democratic, pro-English, pro-United States and anti-fascist, and President Roosevelt and Secretary Hull, along with the good neighbor policy for which they stand, are extremely popular in Argentina, as well as elsewhere in Latin America. "Mutual interest calls for close harmony and economic cooperation between the two countries," the Board finds, observing at the same time that "during the present war period, Argentina's dependence upon the United States for supplies and markets will be so great that she is not likely to digress to the point of incurring the active displeasure of this country." At the same time, however, it states "there are many needed products, such as tungsten, linseed oil, hides, tanning materials, wool, and canned beef which Argentina can furnish this country."

Guggenheim Gift For Aeronautical Research

Announcement was made on June 17 by Major Lester D. Gardner, Executive Vice-President of the Institute of the Aeronautical Sciences, of the gift by Mrs. Daniel Guggenheim of her estate near Port Washington, L. I., for the establishment of a center for aeronautical research and study as a memorial to her husband. The Council of the Institute of the Aeronautical Sciences, in accepting the property, informed Mrs. Guggenheim that her generous gift "will render a great service to the advancement of the art and science of aeronautics." The estate is located on Sands Point and has two-thirds of a mile of waterfront. The main residence contains 40 rooms and overlooks Long Island Sound. Other buildings are suitable for laboratories and experimental investigations. The property of 162 acres has been named Daniel Guggenheim Park by the Council of the Institute. A Board of Trustees will supervise the Institute's program for the use of the property and will appoint a Board of Scientific Advisers to organize divisions to conduct aeronautical research. In announcing the gift Major Gardner said in part:

"The gift of Mrs. Guggenheim will permit the Institute to make a direct contribution to the war effort by providing exceptional facilities for experimental aeronautical investigations by specialists. After the war, the Institute plans to advance the art and science of aeronautics by using the estate to enlarge the scope of its Aeronautical Archives so that its large libraries, collections of prints, photographs and other aeronautical material will be available to the aeronautical industry and others for research and experimentation."

It is pointed out that the Daniel Guggenheim family has long been one of the most generous patrons of aviation in the United States. As to this the announcement says:

"In 1926, the late Mr. Guggenheim established the Daniel Guggenheim Fund for the Promotion of Aeronautics with the deeds of gift totaling $2,500,000, subsequently increased by about $300,000. The Fund was to spend both income and principal to 'promote aeronautical education throughout the country; to assist in the extension of aeronautical sciences; and to further the development of commercial aircraft, particularly in its use as a regular means of transportation of both goods and people.'

"Prior to the formation of the Fund, Mr. Guggenheim had established the Daniel Guggenheim School of Aeronatuics at New York University with an endowment of $500,000. The Fund itself endowed schools of aeronautics or professorships at the Massachusetts Institute of Technology, Georgia School of Technology, California Institute of Technology, University of Washington, Leland Stanford University, Syracuse University and the University of Michigan. It also gave $250,000 for the establishment of the Airship Institute in Akron.

"During the existence of the Fund, Harry F. Guggenheim, the son of the founder, was its President. He was a naval aviator during the first World War and is now on active duty again as a Lieutenant Commander, in the United States Navy."

Real Estate Bds. Approve Nat'l War Housing Policy

Accepting the statement of governmental policy on war housing presented to Congress recently by NHA Administrator John B. Blandford, Jr., under which 90% of public housing for the war emergency will be temporary in character and private enterprise will be given a chance to do as much of the permanently needed housing as it can, the National Association of Real Estate Boards in hearings before a House committee, has expressed approval of the program thus outlined. The Association in indicating that the temporary type of structure has been used up to the present time in only 43% of government-built war housing, points out that it has long held that where war housing will be of doubtful usefulness after the war is over, and where public construction may be necessary, that construction should be temporary in nature to avoid ghost cities and post-war urban blight. In its announcement made available June 20 the Association likewise says in part:

> The program outlined by Administrator Blandford is reached through consultation with WPB as to plant location and with the War Manpower Commission as to extent of expected in-migration. It appears to represent a real meeting of minds between WPB and NHA as to the necessity for minimum housing for war workers limited to in-migrants. WPB and NHA are agreed that housing is essential to the war effort and that materials must be made available for it, Mr. Blandford states.
>
> Estimating that in the 12 months immediately ahead there will be a need for housing 1,600,000 in-migrants, which will call for 1,320,000 housing units, the program as Mr. Blandford outlines it allots 200,000 of these units for new production by private enterprise.
>
> It calls for securing 260,000 dwelling units through remodeling, and for maximum use of 650,000 existing dwellings through a war guest plan. It estimates that government-built war housing for the remainder will call for an additional authorization of $600,000,000, and tags 90% of this to be of temporary character. The housing is to be programmed locally to fit in the community pattern.

Steel Production Rate Off 1½%—Lend-Lease Shipments Heavy—Shipbuilding Largest User

"Since most manufacturers and producers in the United States are now required to operate under the Production Requirements Plan (starting with July 1), a last minute rush to understand its workings is now under way in many sections of the metal working industry," says "The Iron Age" in its issue of today (July 2), further adding: "For another week the pressure for Lend-Lease material has given industry, particularly steel makers, a clearer understanding of the vastness of the material requirements of this war. Steel production this week is down, the depressing factor being scrap shortages rather than the Fourth of July holiday on which there will be little if any slowing up."

The American Iron and Steel Institute on June 29 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 96.5% of capacity for the week beginning June 29, compared with 98.0% one week ago, 99.3% one month ago and 91.8% one year ago. This represents a decrease of 1.5 points, or 1.5% from the preceding week. The operating rate for the week beginning June 29 is equivalent to 1,639,200 tons of steel ingots and castings, compared to 1,664,600 tons one week ago, 1,686,700 tons one month ago, and 1,516,700 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on June 29 stated in part: "Shipbuilding has assumed first place in the war program and is taking more steel than any other one industry. For some time the destination of the greater part of the record plate output, it now is assuming a similar position with regard to shapes.

"Producers of structural shapes find their field changing rapidly from material for land installations to sections used in ship construction. Private construction has been halted and plants for war purposes are not taking as much steel as formerly, though some are still under way or planned.

"Better distribution to shipyards is being achieved and inventories are being held to a minimum consistent with capacity production. In addition to plates and shapes for hull construction, a large aggregate tonnage is being consumed by manufacturers of deck equipment and other special assemblies. Numerous converted plants are engaged in this class of fabrication, with the same priorities as for ships.

"Cancellations continue on orders for which priority is so low that delivery is unlikely within many months. Some of this tonnage bears ratings that until a short time ago were considered high.

"Most mills find difficulty in completing deliveries on allocations in the month for which they are issued, some tonnage going over to the next month, though the gap is being narrowed in most instances. Allocations and directives cover the entire output of some mills, precluding deliveries on any ratings, while others still are able to ship in the higher brackets."

Ickes Urges Corp. To Aid Oil Companies

Defense Petroleum Coordinator Ickes urged the House Banking and Currency Committee on June 25 to approve legislation for the establishment of a $500,000,000 War Petroleum Corporation empowered "to make secured loans, to purchase and sell petroleum and petroleum products, to transport and store petroleum both above and underground, and to pay transportation charges covering the movement of petroleum products."

The bill is sponsored by Senator Connally (Dem., Texas) and Representative Steagall (Dem., Ala.). Mr. Ickes said that unless positive action is taken in this field "we must steel ourselves to face a whole series of probably unnecessarily stringent rationing orders and perhaps actual shortages of petroleum or some of its products for direct military use." He added that the bill would prevent many small oil companies from going bankrupt because of the increased cost of transporting petroleum supplies.

Mr. Ickes, according to June 25 Washington advices to the New York "Herald Tribune," listed the purposes of the bill as follows:

> (1) To assist the delivery of supplies of petroleum and petroleum products into shortage areas to meet military and essential civilian demands, (2) the expansion and most efficient use of petroleum facilities, (3) the production of the necessary amounts of the specific petroleum products required for the war program and to meet essential civilian demands, (4) the maintenance of adequate reserves of such petroleum or petroleum products as are of strategic importance in quality or as to location, and (5) the return, upon such terms and conditions as will protect the public interest, to the natural underground reservoir or other disposition of petroleum products purchased by the corporation for the purpose of assuring the production of other essential petroleum products.

Martin Heads So. Illinois Victory Fund Committee

John C. Martin, of Salem, Illinois, has been appointed Chairman of the Regional Victory Fund Committee for the 44 counties constituting the southern district of Illinois. Mr. Martin's appointment was made by Chester C. Davis, Chairman of the Victory Fund Committee for the Eighth (Chicago) Federal Reserve District, with the approval of the Secretary of the Treasury. His function will be to organize the 44 counties of southern Illinois within the Eighth Federal Reserve District, and to direct within that area a continuing campaign for the sale of United States Government securities to help finance the war effort. These counties have total banking resources of $409,909,000. Mr. Martin has appointed a group of prominent bankers from the area to work with him. Mr. Martin served two terms as State Treasurer, and he has been active in Illinois Bankers Association affairs since 1907 when he was elected Cashier of the Salem National Bank, of which he is now President. He also served nearly 10 years as a Class A Director of the Federal Reserve Bank of St. Louis.

The committee of which Mr. Martin is chairman is part of the nationwide Victory Fund organization which is being developed to coordinate and direct the efforts of the investment bankers, security dealers, commercial bankers, business men and industrialists in mobilizing the financial resources of the nation. While the Victory Fund Committees will cooperate with the State and local War Savings Staffs in the sale of Series F and G War Savings Bonds, they will neither duplicate nor compete with such organizations; rather, they will complement the work of the War Savings Staff and will undertake to reach the larger investors by working through normal financial channels.

Treasury Estimate Of New Tax Revenues

The Treasury Department on June 24 tentatively estimated the effect of the tax changes made by the House Ways and Means Committee over revenues produced by the present law as follows, it was indicated in Washington advices to the New York "Times."

Income and excess profits taxes:	
Corporation income	+$60,600,000
Excess profits	+2,288,900,000
Declared value excess profits tax	—58,500,000
Total corporation income & excess profits taxes	+$2,291,000,000
Individual income tax	+2,730,000,000
Total income and excess profits taxes	+$5,021,000,000
Miscellaneous internal revenue:	
Capital stock tax	—$51,500,000
Estate tax	—14,800,000
Gift tax	+7,700,000
Total	—$58,600,000
Liquor taxes:	
*Distilled spirits	+$266,100,000
*Fermented malt liquors	+61,800,000
*Wines	+11,600,000
Total liquor taxes	+$339,500,000
Tobacco taxes:	
*Cigarettes (small)	+$51,400,000
Tobacco, smoking	+11,800,000
Cigars (large)	+15,800,000
Cigarette papers and tubes	+7,800,000
Total tobacco taxes	+$86,800,000
Manufacturers' excise taxes:	
Lubricating oil	+$13,800,000
Photographic apparatus	+10,600,000
Rubber articles	—8,900,000
Electric signs	—100,000
Washing machines	—100,000
Optical equipment	—300,000
Total manufacturers' excise taxes	+$15,000,000
Miscellaneous taxes:	
Telephone, telegraph, radio and cable facilities, leased wires, etc.	+$26,800,000
Telephone bill	+36,800,000
Transportation of persons	+33,900,000
Coin-operated amusement & gaming devices	+4,400,000
Freight and express	+292,000,000
Pari-mutual wagers	+23,600,000
Total miscellaneous taxes	+$417,500,000
Total miscel. internal rev.	+$800,200,000
Total internal revenue	+5,821,200,000
Miscellaneous revenues and receipts (postal surplus)	+102,800,000
Gross revenue effect	+$5,924,000,000
Less portion of corporation exc. profits tax refunded in non-interest bearing bonds	—876,700,000
Net revenue effect	+$5,047,300,000

*Excluding the revenue effect of floor stocks taxes, which, if enacted, are estimated to yield in the first year only: Distilled spirits, $90.0 millions; fermented malt liquors, $2.0 millions; wines, $2.3 millions; cigarettes (small) $5.8 millions.

Note—All estimates show full year effect, assuming all proposed changes were fully reflected in revenue for an entire year. Estimates of income and excess profits taxes and the gift tax are at levels of income estimated for calendar year 1942. All other estimates are at levels of income estimated for fiscal year 1943.

May Building Permit Valuations Are Down

The first full month of operations under the War Production Board's stop construction order shows that the construction industry was vitally affected, Secretary of Labor Frances Perkins reported on June 27. "Permit valuations in May were 33% lower than during the corresponding month of the preceding year," she said. "All classes of construction showed marked declines. The heaviest decrease, 46%, occurred in the value of new residential building. New non-residential building showed a falling off of 10%, while additions, alterations, and repairs to existing structures were 41% lower."

Secretary Perkins further stated:

"Total permit valuations in May were also lower than those for April, the decline amounting to 11%. This was brought about by a decrease of 27% in the permit valuation of new residential buildings, and 22% in permit valuations for additions, alterations, and repairs. There was an increase of 19% in indicated expenditures for new non-residential buildings between April and May, 1942.

"During the first 5 months of 1942, permits were issued in reporting cities for buildings valued at $1,008,335,000, a decrease of 14%, as compared with the corresponding period of 1941. Permit valuations for new residential buildings for the first 5 months of the current year amounted to $468,220,000, a loss of 21%, as compared with the first 5 months of the preceding year. Over the same period new non-residential building showed a decrease of 3%, and additions, alterations, and repairs, 15%.

"Tabulations of the Bureau of Labor Statistics include contracts awarded by Federal and State Governments in addition to private and municipal construction. For May, 1942, Federal and State construction in the 2,410 reporting cities totaled $80,346,000; for April, 1942, $60,312,000, and for May, 1941, $53,670,000."

Changes in permit valuations in the 2,410 reporting cities between May, 1942, April, 1942, and May, 1941 are summarized below:

	Change from May, 1941 to May, 1942	
Class of Construction—	All Cities	Excluding N. Y. City
New residential	—45.5%	—42.5%
New non-residential	—10.3%	—19.2%
Additions, alterations, & repairs	—41.0%	—39.7%
All construction	—32.8%	—33.9%

	Change from April. 1942 to May, 1942	
Class of Construction	All Cities	Excluding N. Y. City
New residential	—27.2%	—26.1%
New non-residential	+18.9%	+ 7.0%
Additions, alterations, & repairs	—21.9%	—21.5%
All construction	—10.6%	—14.0%

Comparisons of permit valuations in cities reporting for the first 5 months of 1941 and 1942 are shown in the following table:

	Change from First 5 Months of 1941 to First 5 Mon. of 1942	
Class of Construction	All Cities	Excluding N. Y. City
New residential	—21.4%	—16.9%
New non-residential	— 2.5%	+ 5.3%
Additions, alterations, & repairs	—15.3%	—11.4%
All construction	—13.7%	— 8.3%

The Bureau's advices also state:

"New housekeeping dwellings for which permits were issued in the 2,410 reporting cities in May, 1942, will provide 24,051 dwelling units, or 23% less than the 31,412 dwelling units reported in the previous month, and 36% fewer than the number provided in May, 1941. Dwelling units in publicly financed housing projects included in these totals numbered 13,121 in May, 1942, 8,298 in April, 1942, and 3,940 in May, 1941.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in May, 1942, except those awarded by the War and Navy Departments, Maritime Commission, and the Defense Plant Corporation which have been excluded because of their confidential nature, were: East Hartford, Conn., 1-family dwellings to cost $1,272,000; New York City — Borough of Queens, factories to cost $5,429,000; Syracuse, N. Y., factories to cost $707,000; Glassport, Pa., factories to cost $700,000; Philadelphia, Pa., 1-family dwellings to cost $990,000; Chicago, Ill., 1-family dwellings to cost $889,000 and factories to cost $2,073,000; Detroit, Mich., 1-family dwellings to cost $2,442,000; Saginaw, Mich., a factory to cost $700,000; Akron, O., a factory to cost $630,000; Canton, O., factories to cost $518,000; Cincinnati, O., factories to cost $601,000; Cleveland, O., 1-family dwellings to cost $330,000; Columbus, O., 1-family dwellings to cost $681,000; Wichita, Kans., 1-family dwellings to cost $774,000; Washington, D .C., multi-family dwellings to cost $903,000; Baltimore, Md., factories to cost $1,572,000; Alexandria, Va., multi-family dwellings to cost $1,230,000; El Segundo, Calif., factories to cost $625,000; Los Angeles, Calif., 1-family dwellings to cost $634,000.

"Contracts were awarded during May for the following publicly financed housing projects containing the indicated number of dwelling units: Boston, Mass., $275,000 for 66 units; Lackawanna, N. Y., $1,500,000 for 400 units; Camden, N. J., $1,225,000 for 306 units; Paterson, N. J., $1,234,000 for 300 units; Duquesne, Pa., $393,000 for 83 units; Erie, Pa., $161,000 for 40 units; Johnstown, Pa., $443,000 for 111 units; Euclid, O., $3,080,000 for 800 units; Baltimore, Md., $5,760,000 for 1,900 units, of which 1,000 were demountable; Sylacauga, Ala., $212,000 for 75 demountable units; Memphis, Tenn., $1,059,000 for 369 units; Ogden, Utah, $3,827,000 for 1,400 demountable units; Compton, Calif., $2,000,000 for 600 units; San Diego, Calif., $3,974,000 for 1,525 demountable units; San Francisco, Calif., $1,200,000 for 231 units; Portland, Ore., $5,286,000 for 1,855 demountable units; Bremerton, Wash., $6,409,000 for 2,310 demountable units; Seattle, Wash., $115,000 for 50 units; and Vancouver, Wash., $2,450,000 for 700 units."

Upholds Decision In Va. Port Rate Case

Through a decision handed down on June 23 by the Interstate Commerce Commission, the Port of New York has just won an important victory in its fight to prevent Norfolk, Va., from securing drastic reductions in rail and water freight rates to middle western territory, it was announced on June 23 by Parker McCollester, traffic counsel of the Chamber of Commerce of the State of New York. According to the Chamber's announcement, the action, which has been pending since 1939, was instituted by the State Corporation Commission of Virginia and interests in the Port of Hampton Roads to secure more favorable rail and water freight rates between Hampton Roads ports and interior points. The Port of New York Authority and the New York and Brooklyn Chambers of Commerce intervened in the proceeding. "In the decision just handed down," Mr. McCollester said, "the Commission upheld the contention of the New York group that the general reduction in rates sought by the Virginia interests would break down the port rate structure here and would give Norfolk an undue advantage over this port."

Certain other specific reductions in rates sought by the petitioners, which counsel for the New York interests did not oppose, were granted by the Commission, however, it is stated.

Bullitt Knox Aide

William C. Bullitt, former Ambassador to Russia and France and more recently a personal representative of President Roosevelt, was sworn in on June 23 as a special assistant to Secretary of the Navy Knox.

The duties of Mr. Bullitt's office, the Navy announcement said, are for such special assignments as Secretary Knox may make. Mr. Bullitt on June 23 resigned as personal representative of the President with the rank of Ambassador.

Callander Retires

The retirement of William F. Callander as Chairman of the Crop Reporting Board and as Chief of the Division of Agricultural Statistics in the Bureau of Agricultural Economics was announced on June 20 by Secretary of Agriculture Claude R. Wickard. Mr. Callander retires to become agricultural statistician in charge of the Orlando, Fla., office of the BAE. He will continue as consultant to the Office of the Secretary of Agriculture and Crop Reporting Board at Washington.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus
June 30	118.19	106.39	116.41	112.93	107.80	91.19	95.62	111.07	113.89
29	118.18	106.39	116.22	113.12	107.80	91.05	95.62	110.88	113.89
27	118.15	106.39	116.41	113.12	107.80	91.05	95.47	111.07	113.89
26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
25	118.11	106.21	116.22	112.93	107.62	90.91	95.32	110.88	113.89
24	118.31	106.39	116.22	113.12	107.62	90.91	95.32	111.07	113.89
23	118.23	106.39	116.22	112.93	107.62	91.05	95.47	110.88	113.89
22	118.29	106.39	116.41	112.93	107.62	91.05	95.47	110.88	113.89
20	118.34	106.39	116.22	112.93	107.44	91.19	95.47	110.88	113.89
19	118.33	106.39	116.22	112.93	107.62	91.19	95.47	110.88	113.89
18	118.35	106.39	116.22	112.93	107.62	91.34	95.62	110.88	113.70
17	118.38	106.39	116.22	112.93	107.62	91.19	95.62	110.88	113.50
16	118.31	106.39	116.22	112.93	107.44	91.19	95.62	110.88	113.70
15	118.36	106.21	116.02	112.93	107.44	91.19	95.62	110.88	113.50
13	118.35	106.21	116.02	112.75	107.62	91.19	95.62	110.88	113.50
12	118.33	106.21	116.02	112.75	107.44	91.19	95.62	110.88	113.50
11	118.32	106.21	115.82	112.75	107.44	91.05	95.62	110.88	113.31
10	118.32	106.21	115.82	112.93	107.44	91.19	95.77	110.88	113.31
9	118.39	106.21	115.82	113.12	107.44	91.19	95.77	110.88	113.50
8	118.37	106.21	115.82	112.93	107.27	91.48	95.77	110.88	113.50
6	118.38	106.21	115.82	112.93	107.27	91.34	95.77	110.70	113.51
5	118.38	106.21	115.82	112.93	107.27	91.34	95.77	110.70	113.31
4	118.39	106.21	116.02	112.75	107.44	91.34	95.62	110.70	113.50
3	118.41	106.21	115.82	112.93	107.44	91.34	95.77	110.70	113.50
2	118.33	106.39	116.02	112.75	107.44	91.48	95.77	110.70	113.70
1	118.30	106.39	116.02	112.93	107.44	91.77	95.92	110.88	113.70
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
22	118.33	106.56	116.02	112.93	107.44	91.91	96.07	110.70	113.50
15	117.89	106.74	116.02	113.31	107.62	92.06	96.54	110.88	113.70
8	117.79	106.74	116.22	113.12	107.62	92.20	96.69	110.70	113.70
1	117.90	106.56	116.22	113.12	107.44	92.06	96.69	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
2	118.10	106.92	116.22	113.70	107.62	92.20	97,00	110.52	114.08
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	106.92	116.61	114.08	107.98	92.50	97.47	111.07	114.08
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
June 30, 1941	119.54	107.44	118.00	114.66	107.80	91.77	97.16	111.62	114.66
2 Years ago									
June 29, 1940	115.38	102.13	115.24	112.37	101.97	83.15	89.64	108.34	103.79

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
June 30	3.37	2.83	3.01	3.29	4.33	4.03	3.11	2.96
29	3.37	2.84	3.00	3.29	4.34	4.03	3.12	2.96
27	3.37	2.83	3.00	3.29	4.34	4.04	3.11	2.96
26	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
25	3.38	2.84	3.01	3.30	4.35	4.05	3.12	2.96
24	3.37	2.84	3.00	3.30	4.35	4.05	3.11	2.96
23	3.37	2.84	3.01	3.30	4.34	4.04	3.12	2.96
22	3.37	2.83	3.01	3.30	4.34	4.04	3.12	2.96
20	3.37	2.84	3.01	3.31	4.33	4.04	3.12	2.96
19	3.37	2.84	3.01	3.30	4.33	4.04	3.12	2.96
18	3.37	2.84	3.01	3.30	4.32	4.03	3.12	2.97
17	3.37	2.84	3.01	3.30	4.33	4.03	3.12	2.98
16	3.37	2.84	3.01	3.31	4.33	4.03	3.12	2.97
15	3.38	2.85	3.01	3.31	4.33	4.03	3.12	2.98
13	3.38	2.85	3.02	3.30	4.33	4.03	3.12	2.98
12	3.38	2.85	3.02	3.31	4.33	4.03	3.12	2.98
11	3.38	2.86	3.02	3.31	4.34	4.03	3.12	2.99
10	3.38	2.86	3.01	3.31	4.33	4.02	3.12	2.99
9	3.38	2.86	3.00	3.31	4.33	4.02	3.12	2.98
8	3.38	2.86	3.01	3.32	4.31	4.02	3.12	2.98
6	3.38	2.86	3.01	3.32	4.32	4.02	3.13	2.99
5	3.38	2.86	3.01	3.32	4.32	4.02	3.13	2.99
4	3.38	2.85	3.02	3.31	4.32	4.03	3.13	2.98
3	3.38	2.86	3.01	3.31	4.32	4.02	3.13	2.98
2	3.37	2.85	3.02	3.31	4.31	4.02	3.13	2.97
1	3.37	2.85	3.01	3.31	4.29	4.01	3.12	2.97
May 29	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
22	3.36	2.85	3.01	3.31	4.28	4.00	3.13	2.98
15	3.35	2.85	2.99	3.30	4.27	3.97	3.12	2.97
8	3.35	2.84	3.00	3.30	4.26	3.96	3.13	2.97
1	3.36	2.84	3.00	3.31	4.27	3.96	3.13	2.97
Apr. 24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.38	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.11	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago								
June 30, 1941	3.31	2.75	2.92	3.29	4.29	3.93	3.08	2.92
2 Years ago								
June 29, 1940	3.62	2.89	3.04	3.63	4.93	4.44	3.26	3.18

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Engineering Construction $158,839,000 For Week Up 11%

Engineering construction volume for the week totals $158,839,000 an increase of 11% over the corresponding week last year, and 2% above the total for the preceding week as reported by "Engineering News-Record" on June 25.

Public construction gains 18% over the week last year, and 5% over last week, and is responsible for the current week's increase, as private work is 52% under a year ago, and 31% below a week ago.

The week's construction brings 1942 volume to $4,905,294,000 for the 26-week period, an increase of 73% over the corresponding weeks in 1941. Private work, $341,408,000, is 53½% below last year, but public construction, $4,563,886,000, is 117% higher as a result of the 196% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	June 26, 1941	June 18, 1942	June 25, 1942
Total Construction	$143,520,000	$155,670,000	$158,839,000
Private Construction	16,072,000	11,207,000	7,720,000
Public Construction	127,448,000	144,463,000	151,119,000
State and Municipal	32,130,000	8,231,000	11,682,000
Federal	95,318,000	136,232,000	139,437,000

In the classified construction groups, gains over the 1941 week are in public buildings, earthwork and drainage, and unclassified construction. Increases over last week are in sewerage, bridges, commercial building and large-scale private housing, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $965,000; sewerage, $2,107,000; bridges, $1,925,000; industrial buildings, $2,624,000; commercial buildings, $5,021,000; public buildings, $91,985,000; earthwork and drainage, $3,259,000; streets and roads, $9,557,000; and unclassified construction, $41,396,000.

New capital for construction purposes for the week totals $13,949,000. This is 36% below the volume for the corresponding week last year. The week's new financing is made up of $13,000,000 in corporate security issues, and $949,000 in State and municipal bond sales.

New construction financing for the year to date, $6,886,294,000, is 106% higher than the $3,350,549,000 reported for the 26-week period a year ago.

National Fertilizer Association Commodity Index Advances Fractionally

The general level of commodity prices was slightly higher last week, according to the wholesale price index compiled by The National Fertilizer Association and made public on June 29. In the week ended June 27, 1942, this index advanced fractionally to 127.3 from 127.1 in the preceding week. A month ago it was 128.0 and a year ago 110.9, based on the 1935-1939 average as 100. The Association's report also added:

The upward movement of the all-commodity group index last week was the result of higher prices for livestock, cotton, and foodstuffs. The index of industrial commodities remained unchanged for the eighth consecutive week. The farm product index moved to higher levels as advances in hogs, cotton, corn, and oats more than offset declines in wheat and wool. In the food group rising prices for apricots, potatoes, meats, eggs, and lard were sufficient to counterbalance the effect on the group index of declines in butter, flour, and chickens. The net result of these changes was a slight increase in the food index. A fractional advance was also recorded by the index number representing the prices of miscellaneous commodities and fertilizer.

During the week prices of 14 commodities advanced and 8 declined; in the preecding week there were 13 declines and 10 advances; in the second preceding week there were 12 declines and 7 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week June 27 1942	Preceding Week June 20 1942	Month Ago May 16 1942	Year Ago June 28 1941
25.3	Foods	125.2	125.1	125.3	105.6
	Fats and Oils	137.0	137.3	138.7	124.6
	Cottonseed Oil	158.4	158.4	159.3	147.1
23.0	Farm Products	135.3	134.5	137.7	110.3
	Cotton	181.1	179.1	192.1	138.1
	Grains	113.1	113.8	118.3	98.9
	Livestock	132.0	131.0	132.0	108.0
17.3	Fuels	119.7	119.7	119.5	110.4
10.8	Miscellaneous commodities	127.9	127.8	128.1	119.3
8.2	Textiles	147.5	147.5	149.5	133.5
7.1	Metals	104.4	104.4	104.4	103.9
6.1	Building materials	151.6	151.6	151.7	115.6
1.3	Chemicals and drugs	120.7	120.7	120.7	105.2
.3	Fertilizer materials	117.8	117.7	118.8	105.5
.3	Fertilizers	115.3	115.3	115.3	102.0
.3	Farm machinery	104.1	104.1	104.1	99.3
100.0	All groups combined	127.3	127.1	128.0	110.9

*Indexes on 1926-1928 base were: June 27, 1942, 99.2; June 20, 99.0; June 28, 1941, 86.8.

Electric Output For Week Ended June 27, 1942 Shows 9.5% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 27, 1942, was 3,457,024,000 kwh., which compares with 3,156,825,000 kwh., in the corresponding period in 1941, a gain of 9.5%. The output for the week ended June 20, 1942, was estimated to be 3,433,711,000 kwh., an increase of 11.1% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended June 27, '42	June 20, '42	June 13, '42	June 6, '42
New England	3.2	6.1	6.8	7.4
Middle Atlantic	4.8	6.8	9.4	5.8
Central Industrial	4.3	7.5	8.2	7.3
West Central	4.3	9.9	11.7	10.4
Southern States	19.9	19.6	18.8	14.2
Rocky Mountain	4.8	6.3	5.7	1.3
Pacific Coast	20.7	17.8	17.0	17.6
Total United States	9.5	11.1	11.7	9.6

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291
Apr. 11	3,320,858	2,905,581	+14.3	2,529,908	1,480,738	1,696,543
Apr. 18	3,307,700	2,897,307	+14.2	2,528,868	1,469,810	1,709,331
Apr. 25	3,273,190	2,950,448	+10.9	2,499,060	1,454,505	1,699,822
May 2	3,304,602	2,944,906	+12.2	2,503,899	1,429,032	1,688,434
May 9	3,365,208	3,003,921	+12.0	2,515,515	1,436,928	1,698,492
May 16	3,356,921	3,011,345	+11.5	2,550,071	1,435,731	1,704,426
May 23	3,379,985	3,040,029	+11.2	2,588,821	1,425,151	1,705,460
May 30	3,322,651	2,954,647	+12.5	2,477,689	1,381,452	1,615,085
June 6	3,372,374	3,076,323	+ 9.6	2,598,812	1,435,471	1,689,925
June 13	3,463,528	3,101,291	+11.7	2,664,853	1,441,532	1,699,227
June 20	3,433,711	3,091,672	+11.1	2,653,788	1,440,541	1,702,501
June 27	3,457,024	3,156,825	+ 9.5	2,659,825	1,456,961	1,723,423

Proposed And Present Inc. Taxes Compared

Comparisons between typical individual income taxes at present and those to be paid under the bill approved by the House Ways and Means Committee with respective percentage rates of taxation are presented in the following tables, reported in Associated Press accounts from Washington June 25.

(The income column refers to net income before personal exemption).

Single Person

Income	Present Tax	New Tax	Present Rate	New Rate
$500	$0	$0	--	--
600	0	14	--	2.4
700	0	32	--	4.5
800	3	49	0.4	6.2
900	11	67	1.2	7.4
1,000	21	84	2.1	8.4
1,200	40	119	0.3	9.9
1,500	69	171	4.6	11.4
2,000	117	258	5.9	12.9
2,500	165	345	6.6	13.8
3,000	221	447	7.4	14.9
4,000	347	651	8.7	16.3
5,000	483	875	9.7	17.5
6,000	649	1,119	10.8	18.6
8,000	1,031	1,667	12.9	20.8
10,000	1,493	2,295	14.9	22.9
15,000	2,994	4,221	20.0	28.2
20,000	4,929	6,621	24.6	33.1
25,000	7,224	9,381	28.9	37.5
50,000	20,882	25,316	41.8	50.6
100,000	53,214	63,646	52.2	63.6
500,000	345,654	409,621	69.1	81.9
1,000,000	733,139	844,621	73.3	84.5
5,000,000	3,923,124	4,324,621	78.5	86.5

Married Person—No dependents

Income	Present Tax	New Tax	Present Rate	New Rate
$1,200	$0	$0	--	--
1,300	0	12	--	0.9
1,400	0	28	--	2.0
1,500	0	45	--	3.0
1,700	13	80	0.8	4.7
2,000	42	132	2.1	6.6
2,500	90	219	3.6	8.8
3,000	138	306	4.6	10.2
4,000	249	504	6.2	12.6
5,000	375	708	7.5	14.2
6,000	521	944	8.7	15.7
8,000	873	1,464	10.9	18.3
10,000	1,305	2,064	13.1	20.6
15,000	2,739	3,914	18.3	26.1
20,000	4,614	6,264	23.1	31.3
25,000	6,864	8,982	27.5	35.9
50,000	20,439	24,840	40.9	49.7
100,000	52,704	63,072	52.7	63.1
500,000	345,084	409,012	69.0	81.8
1,000,000	732,554	844,012	73.3	84.4
5,000.000	3,922,524	4,324,012	78.5	86.5

Married Person—Two Dependents

Income	Present Tax	New Tax	Present Rate	New Rate
$2,000	$0	$0	--	--
2,100	0	12	--	0.6
2,200	0	24	--	1.1
2,300	0	40	--	1.8
2,400	6	58	0.3	2.4
2,500	12	75	0.5	3.0
3,000	58	162	1.9	5.4
4,000	154	336	3.9	8.4
5,000	271	540	5.4	10.8
6,000	397	744	6.6	12.4
8,000	717	1,232	9.0	15.4
10,000	1,117	1,800	11.2	18.0
15,000	2,475	3,586	16.5	23.9
25,000	6,480	8,526	25.9	34.1
50,000	19,967	24,296	39.9	48.6
100,000	52,160	62,416	52.2	62.4
500,000	344,476	408,316	68.9	81.7
1,000,000	731,930	843,316	73.2	84.3
5,000,000	3,921,884	4,323,316	78.4	86.5

Revises Cotton Quotas

Individual quotas for countries exporting long-staple cotton to the United States were eliminated by an Executive Order signed by President Roosevelt on June 29.

In reporting this action, Washington advices to the New York "Times" said:

> The order, however, retains the present total quota of 45,656,420 pounds per year for staple 1⅛ inches or more.
>
> The action was taken because some countries in the war zone are unable to fill their quotas, whereas others, such as Peru, can ship more than they would be allowed to send under the old quota system.

Moody's Daily Commodity Index

Tuesday, June 23	229.6
Wednesday, June 24	229.5
Thursday, June 25	229.5
Friday, June 26	229.2
Saturday, June 27	229.2
Monday, June 29	229.4
Tuesday, June 30	230.4
Two weeks ago, June 16	228.4
Month ago, May 30	231.2
Year ago, June 30	202.7
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 9	234.0
Low—Jan. 2	220.0

Daily Average Crude Oil Production For Week Ended June 20, 1942 Increased 20,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 20, 1942, was 3,720,800 barrels, an increase of 20,450 barrels over the preceding week and 84,500 barrels in excess of the daily average for the month of June, 1942, as recommended by the Office of Petroleum Coordinator. The current figure, however, was 136,800 barrels below the daily average for the week ended June 21, 1941. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrels estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,434,000 barrels of crude oil daily the week ended June 20, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of that week, 89,847,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 9,927,000 barrels during the week ended June 20, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations June	*State Allowables Beginning June 1	—Actual Production— Week Ended June 20 1942	Change From Previous Week	4 Weeks Ended June 20 1942	Week Ended June 21 1941
Oklahoma	436,600	436,600	†377,600	+ 1,950	379,200	414,050
Kansas	281,900	281,900	†279,850	+ 100	258,600	231,450
Nebraska	4,100	------	†3,700	+ 50	3,800	4,600
Panhandle Texas			88,400	+ 1,100	90,200	81,150
North Texas			144,000	— 5,400	149,700	132,350
West Texas			204,850	+ 50	206,700	262,950
East Central Texas			93,950	+ 6,350	90,050	80,600
East Texas			362,750	+ 150	397,250	373,200
Southwest Texas			143,650	+ 12,800	145,850	211,050
Coastal Texas			243,100	— 850	263,400	280,900
Total Texas	1,068,600	‡1,288,322	1,280,700	+ 14,200	1,343,150	1,422,200
North Louisiana			88,350	— 250	87,650	77,650
Coastal Louisiana			219,500	— 550	215,850	254,250
Total Louisiana	311,300	334,300	307,850	— 800	303,500	331,900
Arkansas	75,300	75,300	73,800	+ 100	73,400	72,850
Mississippi	49,200		†79,850	— 5,300	82,800	28,000
Illinois	320,800		279,600	+ 2,250	284,750	344,350
Indiana	18,900		†20,350	+ 350	20,950	20,350
Eastern (not incl. Ill. & Ind.)	106,800		97,900	— 550	98,350	91,850
Michigan	63,100		65,200	— 4,600	66,250	40,200
Wyoming	96,200		90,900	+ 700	92,050	82,050
Montana	23,400		21,850	+ 100	21,800	19,200
Colorado	7,600		6,350	— 50	6,500	3,950
New Mexico	80,600	80,600	64,900	+ 10,350	57,100	111,000
Total East of Calif.	2,944,400		3,050,400	+ 18,850	3,092,200	3,218,000
California	691,900	§691,900	670,400	+ 1,600	632,800	639,600
Total United States	3,636,300		3,720,800	+ 20,450	3,725,000	3,857,600

*O. P. C. recommendations and State allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual State production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in March, 1942, as follows: Oklahoma, 29,200; Kansas, 5,500; Texas, 105,600; Louisiana, 18,500; Arkansas, 2,700; New Mexico, 5,600; California, 39,000; other states, 20,400.

†Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a.m. June 17.

‡This is the net basic 15-day allowable for the period June 16 to 30, inclusive. For the first 15 days the allowable was 1,351,667 barrels. In the area outside East Texas shutdown was ordered for June 20, 21, 28, 29 and 30; in East Texas for June 23 and 27 in addition to the aforementioned days.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED JUNE 20, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

	Daily Refining Capacity		Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis					
District—	Potential Rate	% Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,493	62.7	4,304	42,018	15,165	17,182
Appalachian	174	84.5	160	92.0	453	2,915	489	561
Ind., Ill., Ky.	784	84.9	704	89.8	2,248	17,159	3,238	3,209
Okla., Kansas, Mo.	418	81.1	350	83.7	1,098	8,306	1,203	1,607
Rocky Mountain	138	50.7	95	68.8	275	2,476	333	544
California	787	90.9	632	80.3	1,549	16,973	11,776	55,375
Tot. U. S. B. of M. basis June 20, 1942	4,684	86.9	3,434	73.3	9,927	†89,847	32,204	78,478
Tot. U. S. B. of M. basis June 13, 1942	4,684	86.9	3,478	74.3	10,389	91,994	31,276	78,759
U. S. Bur. of Mines basis June 21, 1941			3,870		12,796	90,874	37,758	91,730

*At the request of the Office of the Petroleum Coordinator.

†Finished 82,261,000 bbls.; unfinished 7,586,000 bbls. ‡At refineries(at bulk terminals, in transit, and in pipe lines.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the production of soft coal continues to show little change from week to week. The total output for the country in the week ended June 20 is estimated at 11,125,000 net tons, a decrease of 200,000 tons, or 1.8%, from the preceding week. Production in the corresponding week last year amounted to 10,336,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended June 20 was estimated at 1,212,000 tons, an increase of 33,000 tons, or 2.8%, over the preceding week. When compared with the output in the corresponding week in 1941, there was an increase of 2,000 tons (about 0.2%). The calendar year to date shows a gain of 12.7% when compared with the same period last year.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended June 20 showed a decrease of 1,200 tons when compared with the output for the week ended June 13. The quantity of coke from beehive ovens increased 1,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

	—Week Ended—			—January 1 to Date—		
Bituminous and lignite coal—	†June 20, 1942	‡June 13, 1942	June 21, 1941	†June 20, 1942	June 21, 1941	June 19, 1937
Total, incl. mine fuel	11,125	11,325	10,336	270,909	215,336	213,017
Daily average	1,854	1,888	1,723	1,875	1,481	1,485
*Crude petroleum— Coal equivalent to weekly output	5,960	5,927	6,179	148,800	144,728	132,035

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. ("Minerals Yearbook," 1939, page 702). †Subject to revision. ‡Revised.

ESTIMATED PRODUCTIONS OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

	—Week Ended—			—Calendar year to date—		
Penn. anthracite—	§June 20, 1942	June 13, 1942	June 21, 1941	§June 20, 1942	June 21, 1941	June 22, 1929
*Total, incl. colliery fuel	1,212,000	1,179,000	1,210,000	27,818,000	24,673,000	34,160,000
†Commercial production	1,151,000	1,120,000	1,150,000	26,427,000	23,439,000	31,700,000
Beehive coke— United States total	171,900	170,600	136,300	3,733,700	2,777,000	3,200,600
By-product coke— United States total	1,182,300	1,183,500	‡	28,675,400	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	—Week Ended—					June avge.
State—	June 13, 1942	June 6, 1942	June 14, 1941	June 15, 1940	June 12, 1937	¶1923
Alaska	5	5	3	4	3	**
Alabama	393	384	338	309	219	387
Arkansas and Oklahoma	79	77	15	19	14	70
Colorado	125	124	86	60	87	175
Georgia and North Carolina	1	1	1	††	††	**
Illinois	1,148	1,190	828	685	561	1,243
Indiana	300	307	360	272	250	416
Iowa	38	46	35	48	16	88
Kansas and Missouri	132	163	87	79	75	128
Kentucky—Eastern	1,016	982	938	792	669	661
Kentucky—Western	245	242	148	116	115	183
Maryland	42	42	35	24	24	47
Michigan	6	6	--	2	3	12
Montana (bituminous and lignite)	50	58	44	37	39	38
New Mexico	30	29	27	20	27	51
North and South Dakota (lignite)	22	24	22	13	13	**14
Ohio	777	756	599	460	453	888
Pennsylvania (bituminous)	2,835	2,735	2,774	2,014	1,939	3,613
Tennessee	150	145	142	104	97	113
Texas (bituminous and lignite)	5	6	8	15	17	21
Utah	107	105	50	37	34	89
Virginia	421	415	396	261	218	240
Washington	40	33	30	27	34	44
*West Virginia—Southern	2,331	2,275	2,300	1,865	1,558	1,380
†West Virginia—Northern	888	894	791	549	540	856
Wyoming	139	136	92	76	85	104
‡Other Western States	††	††	1	††	††	**5
Total bituminous and lignite	11,325	11,180	10,150	7,888	7,090	10,866
§Pennsylvania anthracite	1,179	1,042	1,278	1,220	1,136	1,956
Total, all coal	12,504	12,222	11,428	9,108	8,226	12,822

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Dept. of Labor Reports Wholesale Prices Show Further Decline in June 20 Week

The Bureau of Labor Statistics' weekly composite index of primary market prices of 889 series for the week ended June 20 registered the 3rd consecutive decline. Seasonally lower prices for fruits and certain vegetables together with declining quotations for livestock and meats brought the index down 0.3%, to the lowest level since mid-April. In the past 3 weeks the index has dropped 0.7%. It is, however, 12.5% higher than it was at this time last year.

Except for a decline of 1.1% in average prices for foods, commodity markets were relatively steady. Farm products advanced 0.2%, largely as a result of higher prices for grains, and textile products, fuel and lighting materials and miscellaneous commodities rose 0.1%.

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes, however, must be considered as preliminary and subject to such adjustment and revision as required by late and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for May 23, 1942, and June 21, 1941, and the percentage changes from a week ago, a month ago and a year ago:

(1926=100)

						Percentage changes to June 20, 1942 from—		
Commodity Groups—	6-20 1942	6-13 1942	6-6 1942	5-23 1942	6-21 1941	6-13 1942	5-23 1942	6-21 1941
All Commodities	*98.1	*98.4	*98.7	*98.7	87.2	—0.3	—0.6	+12.5
Farm products	104.5	104.3	105.6	104.8	83.0	+0.2	—0.3	+25.9
Foods	98.4	99.5	99.7	99.1	83.7	—1.1	—0.7	+17.6
Hides and leather products	118.9	118.9	118.8	119.2	108.2	0.0	—0.3	+ 9.9
Textile products	97.3	97.2	97.2	97.2	84.5	+0.1	+0.1	+15.1
Fuel and lighting materials	79.0	78.9	78.9	78.9	79.0	+0.1	+0.1	0.0
Metals and metal products	*104.0	*104.0	*104.0	*104.0	98.3	0.0	0.0	+ 5.8
Building materials	109.9	109.9	109.9	110.0	101.1	0.0	—0.1	+ 8.7
Chemicals and allied products	97.2	97.2	97.2	97.3	83.8	0.0	—0.1	+16.0
Housefurnishing goods	104.5	104.5	104.5	104.6	93.7	0.0	—0.1	+11.5
Miscellaneous commodities	90.0	89.9	90.0	90.2	80.3	+0.1	—0.2	+12.1
Raw materials	98.7	99.6	100.4	99.8	84.1	—0.9	—1.1	+17.4
Semimanufactured articles	92.6	92.8	92.7	92.8	87.6	—0.2	—0.2	+ 5.7
Manufactured products	*98.8	*98.8	*98.9	*99.2	89.0	0.0	—0.4	+11.0
All commodities other than farm products	*96.7	*97.1	*97.2	*97.4	88.2	—0.4	—0.7	+ 9.6
All commodities other than farm products and foods	*95.9	*95.9	*95.9	*95.9	89.0	0.0	0.0	+ 7.8

*Preliminary.

Cooperation Necessary To Win Peace—Welles

Sumner Welles, Under-Secretary of State, declared on June 17 that "cooperation is no less essential in maintaining peace that in winning a war."

Speaking before a United Nations' rally in Baltimore, Mr. Welles said that "the memory of man is sometimes short. We can none of us again afford to forget the lessons we have learned—that cooperation to win the victory is not enough; that there must be even greater cooperation to win the peace, if the peace is to be that kind of a peace which alone can prevent the recurrence of war—a peace which is more than a mere interlude between battles."

He added:

> Without such cooperation we shall have again economic distress, unemployment, poverty and suffering for millions of people; suffering which, while less acute, is longer drawn out and is but little less hard to bear than the miseries of war; suffering which, as surely as night follows day, is the breeder of wars.

Asserting that the United Nations' cooperation in conducting the war "must obtain a momentum that will carry over into the post-war period," Mr. Welles proposed that "the final terms of the peace should wait until the immediate tasks of the transition period after the defeat of the Axis powers has been completed by the United Nations, and until the final judgments can be coolly and rationally rendered."

He further contended that "the organization through which the United Nations are to carry on their cooperation should surely be formed so far as practicable before the fires of war which are welding them together have cooled."

Recalling the signing by the United States of master lend-lease agreements with Great Britain, China, the Soviet Union and Belgium, Mr. Welles said:

> Thus, in effect, five of the world's great nations have become partners, with full equality of status, in a new world understanding — an economic undertaking, open to the participation of all other nations of like mind—an economic understanding which may well become the nucleus of a United Nations organization for the relief and economic reconstruction of the post-war world.

He likewise said that "there will be vital need for such an organization during the difficult transition period between the end of the war and the final conclusion of peace," adding:

> Millions of the world's peoples will be homeless; in Europe and in Asia transportation systems will be ruined, production facilities destroyed, farms laid waste, cities devastated; we shall all of us be confronted with the gigantic task of converting to peacetime uses whole industries now producing munitions of war.
>
> There must be agreement upon the objectives to be attained, machinery for carrying out the agreed action of the United Nations and cooperative effort of the highest order among all of the United Nations, to which the oppressed peoples of the earth may look with hope when they have cast off their chains.

Mr. Welles, in conclusion, said that "through the union of the United Nations their victory will be assured."

The rally was also addressed by British Field Marshal Sir John Dill and Mexican Ambassador Francisco Castillo Najera.

Trading On New York Exchanges

The Securities and Exchange Commission made public on June 26 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended June 13, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended June 13 (in round-lot transactions) totaled 552,565 shares, which amount was 15.82% of total transactions on the Exchange of 1,745,770 shares. This compares with member trading during the previous week ended June 6 of 893,645 shares, or 17.36% of total trading of 2,285,810 shares. On the New York Curb Exchange, member trading during the week ended June 13 amounted to 82,890 shares, or 14.85% of the total volume of that Exchange of 279,070 shares; during the preceding week trading for the account of Curb members of 90,885 shares was 15.24% of total trading of 298,135 shares.

The Commission made available the following data for the week ended June 13:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	983	693
1. Reports showing transactions as specialists	168	85
2. Reports showing other transactions initiated on the floor	127	16
3. Reports showing other transactions initiated off the floor	158	44
4. Reports showing no transactions	604	550

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

Week Ended June 13, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	60,780	
‡Other sales	1,684,990	
Total sales	1,745,770	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	134,710	
Short sales	30,330	
‡Other sales	117,270	
Total sales	147,600	8.08
2. Other transactions initiated on the floor—		
Total purchases	86,210	
Short sales	8,500	
‡Other sales	77,310	
Total sales	85,810	4.93
3. Other transactions initiated off the floor—		
Total purchases	53,930	
Short sales	4,760	
‡Other sales	39,545	
Total sales	44,305	2.81
4. Total—		
Total purchases	274,850	
Short sales	43,590	
‡Other sales	234,125	
Total sales	277,715	15.82

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

Week Ended June 13, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	2,830	
‡Other sales	276,240	
Total sales	279,070	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	24,160	
Short sales	2,830	
‡Other sales	27,645	
Total sales	30,475	9.79
2. Other transactions initiated on the floor—		
Total purchases	2,760	
Short sales	0	
‡Other sales	3,035	
Total sales	3,035	1.04
3. Other transactions initiated off the floor—		
Total purchases	8,775	
Short sales	0	
‡Other sales	13,685	
Total sales	13,685	4.02
4. Total—		
Total purchases	35,695	
Short sales	2,830	
‡Other sales	44,365	
Total sales	47,195	14.85
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	100	
§Customers' other sales	18,958	
Total purchases	19,058	
Total sales	10,954	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Non-Ferrous Metals—Copper Branch Speeds July Allocations—Electrolytic Tin At 52c

Editor's Note.—Upon request of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of June 25, stated: "Copper fabricators received word from the Copper Branch of WPB on June 23 that July allocation certificates are ready, with the result that the metal will move into consumption ahead of time. OPA last week granted permission to the American Smelting & Refining Co. to sell electrolytic tin on the basis of "Grade A" tin, or at 52c. a pound. Use of cadmium has been restricted to essential military and civilian products. Confusion among consumers on the status of lead in the Production Requirements Plan continues." The publication further went on to say in part:

Copper

July allocations of copper came through in record time, and producers, in some instances, started next month's metal moving on June 23. The tonnage to be released during July will be about as large as that allocated for June.

Quotations on domestic business held at 12c., Valley, with foreign copper coming into the country on the basis of 11.75c., f.a.s. United States ports.

The strike at Phelps Dodge's Moctezuma property, in Mexico, ended June 19. Miners were granted a general pay raise of 42 centavos, plus a bonus of 25 centavos for each one cent advance in the price of copper above 12.5c. a pound. The strike was called less than a month ago.

Lead

Consumers are wondering whether the War Production Board will ease the restrictions to be imposed on lead under the Production Requirements Plan that becomes effective July 1.

Sales of common lead showed the usual end-of-the-month drop. Consumption of lead for non-military use is still falling, owing to conservation measures. Battery plates have been easier.

Quotations for common lead continued at 6.50c., New York, and at 6.35c., St. Louis.

The National Paint, Varnish and Lacquer Association believes that the lead situation has improved. In a statement to the press, it was pointed out that much lead has been imported during the last few months and the Government has been able to accumulate a stockpile without affecting military demand and with only slight effect on civilian needs. There is no shortage in any of the lead pigments.

Tin

With controls on use of tin likely to become more rigid, Erwin Vogelsang, head of the tin division of WPB, last week informed importers and members of the trade that there is no place for them in the Government's plan for distributing the metal to domestic consumers.

Electrolytic tin is being produced on a moderate scale in this country, and OPA has amended the price schedule to permit the sale of this metal on the basis of 52c. a pound.

Straits quality tin for future delivery was nominally as follows:

	June	July	Aug.
June 18	52.000	52.000	52.000
June 19	52.000	52.000	52.000
June 20	52.000	52.000	52.000
June 22	52.000	52.000	52.000
June 23	52.000	52.000	52.000
June 25	52.000	52.000	52.000

Chinese tin, 99% spot, 51.125c., all week.

Quicksilver

Consumption of quicksilver has expanded in recent weeks and larger supplies have been absorbed without difficulty. In fact, the tone was described as steady. Quotations here continued at $194.43 to $198.08. Mexico produced 3,266 flasks of quicksilver during January.

Silver

During the past week the silver market in London has been unchanged at 23½d. The New York Official and the U. S. Treasury prices are also unchanged at 35⅛c. and 35c., respectively.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

June	Electrolytic Copper Domest., Refin.	Electrolytic Copper Exp., Refin.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
18	11.775	11.700	52.000	6.50	6.35	8.25
19	11.775	11.700	52.000	6.50	6.35	8.25
20	11.775	11.700	52.000	6.50	6.35	8.25
22	11.775	11.700	52.000	6.50	6.35	8.25
23	11.775	11.700	52.000	6.50	6.35	8.25
24	11.775	11.700	52.000	6.50	6.35	8.25
Avenage	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended June 20 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead, 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

The above quotations are "M. & M. M.'s" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to World War II, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c is deducted from f.a.s. basis (lighterage, to arrive at the f.o.b. refinery quotation).

Cuba Gives U S Air Bases

The State Department at Washington announced on June 19 that an agreement had been reached with Cuba whereby that government "offers facilities to the United States War Department for training aviation personnel and for operations against enemy undersea craft."

The agreement was signed at Havana on June 19 by Jose Manuel Cortina, Cuban Minister of State, and Spruille Braden, the American Ambassador.

The Department's announcement said:

> After termination of the emergency it is understood that the facilities will become a training center of the Cuban Air Force.
>
> In offering these facilities the Cuban Government, an ally and co-belligerent which was among the first of the American republics to declare war on the Axis, has taken a most important step in collaborating in the joint war effort.
>
> The training center will be located in the vicinity of Havana. By special arrangement between the Cuban and United States Governments, and the British Royal Air Force and the United States War Department, contingents of Royal Air Force personnel will be stationed at this post, following their basic training courses, to complete their combat training.
>
> Work on the installations will begin at once.

Democracy Must Work To Win Lasting Peace

At a Flag Day rally in Pittsburgh on June 14, M. S. Szymczak, member of the Board of Governors of the Federal Reserve System, devoted his remarks to "Our War Efforts," declaring that "loss of this war would be unspeakably catastrophic." "We can win and we must win," he said, and added, "whether we win and how soon depends on what you and I do as individuals." In part, he also said:

> Democratic action is based on free cooperation of individuals. If we do not work harder, conserve our scarce possessions, buy more war bonds voluntarily, we force our Government to make us do so in the public interest. . . .
>
> Billions of dollars are needed for the success of our war effort. It is estimated—and this is only an estimate based on tentative assumptions—that the total Government expenditures in the fiscal year 1943 will be $73,000,000,000. This $73,000,000,000 includes $67,000,000,000 for war expenditures alone. It is further estimated, based on pending legislation, that tax receipts will be about $24,000,000,000. This leaves a balance of about $49,000,000,000 to be borrowed by the Government in one fashion or another. It is hoped that the sales of war saving bonds and stamps will increase with each day, each week and each month. Buy war bonds and stamps and make this hope a reality.
>
> Through the purchase of war savings bonds you are not only lending your money to the Government to wage a successful war; you are helping yourself by investing your money in the soundest security on earth. The money will be returned to you in full—with interest—almost 3% if held to maturity. I speak now of series "E" bonds. By investing your money in these war bonds, you help in our fight against inflation, for money that you would otherwise spend to purchase scarce consumer goods, you loan to your Government to build tanks, airplanes, ships, guns. Finally by purchasing war bonds, you offset the possibility of deflation after the war because you will have purchasing power after the war and by your purchases you will make possible increased production; in other words, you will help peace-time production of goods and materials for which there will be need, and thus you will give work to many thousands at a time when war production will cease.
>
> Yes, billions of dollars are needed to win this war, but what are billions compared to the freedom we're fighting for—our freedom and the freedom of those millions throughout the world who are hungry and beg for food, who are thirsty and reach out feebly for a glass of water, who are wounded and seek balm, who are depressed and plead for a word of encouragement, who scarcely breathe under the barbaric heel of the oppressor. Their enemy is our enemy.
>
> The United Nations idea must be more than just an idea. It must be a coherent fighting force. That is the only way we can win this war and win lasting peace. No country can do it alone—no individual or group of individuals can do it alone.
>
> We must plan now not only to win the war and to win it soon, but to win a lasting peace. We must try to insure economic, social, and political stability for our country and for other countries of the world.

The rally was held under the auspices of the Central Council of Polish-American Organizations of Pittsburgh.

Revenue Freight Car Loadings During Week Ended June 20, 1942, Totaled 844,913 Cars

Loading of revenue freight for the week ended June 20 totaled 844,913 cars, the Association of American Railroads announced on June 25. This was a decrease below the corresponding week in 1941 of 40,626 cars or 4.6%, but an increase above the same week of 1940 of 116,420 cars or 16.0%.

Loading of revenue freight for the week of June 20 increased 12,187 cars or 1.5% above the preceding week.

Miscellaneous freight loading totaled 379,818 cars, an increase of 2,611 cars above the preceding week, and an increase of 3,593 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 94,075 cars, a decrease of 481 cars below the preceding week, and a decrease of 65,690 cars below the corresponding week in 1941.

Coal loading amounted to 164,500 cars, a decrease of 1,841 cars below the preceding week, but an increase of 3,378 cars above the corresponding week in 1941.

Grain and grain products loading totaled 38,946 cars, an increase of 4,260 cars above the preceding week, but a decrease of 7,628 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of June 20 totaled 26,174 cars, an increase of 3,333 cars above the preceding week, but a decrease of 6,534 cars below the corresponding week in 1941.

Livestock loading amounted to 11,031 cars, a decrease of 128 cars below the preceding week, but an increase of 1,942 cars above the corresponding week in 1941. In the Western Districts alone, loading of livestock for the week of June 20 totaled 8,033 cars, an increase of 77 cars above the preceding week, and an increase of 1,710 cars above the corresponding week in 1941.

Forest products loading totaled 49,970 cars, an increase of 1,709 cars above the preceding week, and an increase of 6,415 cars above the corresponding week in 1941.

Ore loading amounted to 92,264 cars, an increase of 5,979 cars above the preceding week, and an increase of 16,613 cars above the corresponding week in 1941.

Coke loading amounted to 14,309 cars, an increase of 78 cars above the preceding week, and an increase of 751 cars above the corresponding week in 1941.

The Southern, and Southwestern districts reported increases, but the Eastern, Allegheny, Pocahontas, Northwestern and Central Western districts reported decreases compared with the corresponding week in 1941, but all districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Week of June 6	854,689	852,940	702,892
Week of June 13	832,726	862,974	712,921
Week of June 20	844,913	885,539	728,493
Total	20,206,564	18,942,128	16,161,888

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 20, 1942, During this period 51 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED JUNE 20

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	359	641	547	1,310	1,652
Bangor & Aroostook	924	1,380	1,216	251	266
Boston & Maine	5,766	9,013	7,085	14,634	13,975
Chicago, Indianapolis & Louisville	1,530	1,422	1,403	2,053	2,553
Central Indiana	29	22	11	50	54
Central Vermont	953	1,468	1,311	2,637	2,741
Delaware & Hudson	6,362	7,023	5,908	11,464	10,240
Delaware, Lackawanna & Western	7,983	10,591	8,912	10,508	9,225
Detroit & Mackinac	313	365	323	132	143
Detroit, Toledo & Ironton	1,638	3,081	2,035	1,171	1,516
Detroit & Toledo Shore Line	240	436	314	2,557	3,579
Erie	13,192	16,387	12,612	17,052	15,778
Grand Trunk Western	3,702	6,693	4,727	7,638	9,096
Lehigh & Hudson River	182	210	219	3,456	2,516
Lehigh & New England	2,072	2,447	2,061	2,086	1,958
Lehigh Valley	8,939	10,361	9,074	13,006	10,140
Maine Central	2,026	3,333	2,810	2,570	2,553
Monongahela	6,412	6,375	4,800	359	437
Montour	2,428	2,407	2,033	29	50
New York Central Lines	46,946	53,956	44,122	54,818	52,381
N. Y., N. H. & Hartford	9,722	12,314	9,340	19,577	17,228
New York, Ontario & Western	1,195	1,378	1,239	2,527	2,650
New York, Chicago & St. Louis	7,117	6,971	5,634	16,393	14,054
N. Y., Susquehanna & Western	525	435	400	1,579	1,979
Pittsburgh & Lake Erie	8,238	8,896	7,652	9,429	9,935
Pere Marquette	5,390	7,451	5,720	6,198	6,574
Pittsburgh & Shawmut	785	658	890	22	52
Pittsburgh, Shawmut & North	390	476	333	261	449
Pittsburgh & West Virginia	1,145	1,210	892	3,666	2,735
Rutland	326	577	677	928	1,208
Wabash	5,263	6,427	4,816	12,519	11,906
Wheeling & Lake Erie	6,227	5,487	5,596	4,958	4,764
Total	158,319	189,891	154,712	225,838	214,467
Allegheny District—					
Akron, Canton & Youngstown	632	746	475	1,057	1,199
Baltimore & Ohio	41,329	41,768	33,000	26,945	22,989
Bessemer & Lake Erie	7,488	7,340	5,837	2,646	2,662
Buffalo Creek & Gauley	284	249	348	3	5
Cambria & Indiana	2,052	2,017	1,490	8	19
Central R. R. of New Jersey	7,143	8,702	7,373	19,016	16,700
Cornwall	690	691	543	58	20
Cumberland & Pennsylvania	253	330	221	10	42
Ligonier Valley	151	97	79	57	48
Long Island	776	830	574	3,293	3,381
Penn-Reading Seashore Lines	1,729	1,762	1,303	2,362	1,939
Pennsylvania System	84,043	89,129	67,228	64,411	62,184
Reading Co.	13,864	17,992	15,017	27,614	23,100
Union (Pittsburgh)	21,344	20,156	18,450	8,109	6,667
Western Maryland	4,321	4,278	3,372	12,266	9,175
Total	186,099	196,087	155,310	167,855	150,130
Pocahontas District—					
Chesapeake & Ohio	28,697	29,072	24,813	13,413	13,995
Norfolk & Western	23,387	24,619	19,622	7,240	6,890
Virginian	4,747	4,811	3,952	2,133	2,012
Total	56,831	58,502	48,387	22,786	22,897
Southern District—					
Alabama, Tennessee & Northern	358	381	247	292	131
Atl. & W. P.—W. R. R. of Ala.	654	807	663	2,415	1,805
Atlanta, Birmingham & Coast	772	793	654	1,042	1,105
Atlantic Coast Line	13,072	11,309	9,182	8,728	6,238
Central of Georgia	4,406	4,497	3,902	4,237	4,267
Charleston & Western Carolina	392	460	458	1,547	1,810
Clinchfield	1,723	1,694	1,290	2,756	2,846
Columbus & Greenville	286	351	199	200	281
Durham & Southern	136	196	113	1,009	614
Florida East Coast	799	455	378	687	740
Gainesville Midland	34	39	22	188	79
Georgia	1,453	1,148	1,112	2,905	1,819
Georgia & Florida	383	442	258	464	552
Gulf, Mobile & Ohio	4,017	3,805	2,945	3,993	3,177
Illinois Central System	25,651	23,707	18,959	16,126	14,166
Louisville & Nashville	26,395	26,671	22,045	10,170	7,281
Macon, Dublin & Savannah	160	170	122	764	859
Mississippi Central	174	171	148	553	387
Nashville, Chattanooga & St. L.	3,845	3,807	2,758	3,948	3,500
Norfolk Southern	2,799	1,718	2,308	1,799	1,146
Piedmont Northern	348	474	444	1,075	1,695
Richmond, Fred. & Potomac	517	408	326	10,734	6,705
Seaboard Air Line	11,446	10,255	8,343	8,059	6,208
Southern System	22,944	25,421	20,207	21,815	20,085
Tennessee Central	609	567	443	1,116	955
Winston-Salem Southbound	80	141	129	883	894
Total	123,453	119,887	97,665	107,505	89,345
Northwestern District—					
Chicago & North Western	21,603	22,263	20,242	12,399	12,785
Chicago Great Western	1,977	2,882	2,369	3,002	3,356
Chicago, Milw., St. P. & Pac.	18,223	22,427	19,385	9,884	9,880
Chicago, St. Paul, Minn. & Omaha	3,329	3,904	3,591	3,551	3,988
Duluth, Missabe & Iron Range	28,422	24,048	20,054	318	339
Duluth, South Shore & Atlantic	1,809	1,200	1,549	524	537
Elgin, Joliet & Eastern	9,802	10,535	9,188	10,321	10,250
Ft. Dodge, Des Moines & South	523	623	464	119	115
Great Northern	25,476	24,165	21,098	5,529	4,199
Green Bay & Western	496	591	499	707	782
Lake Superior & Ishpeming	2,541	2,563	3,108	56	97
Minneapolis & St. Louis	2,048	1,969	1,956	2,547	2,115
Minn., St. Paul & S. S. M.	7,748	7,904	6,423	3,286	3,219
Northern Pacific	11,014	10,792	9,671	4,973	4,816
Spokane International	192	332	292	427	367
Spokane, Portland & Seattle	2,607	2,720	1,755	2,966	2,059
Total	137,810	138,918	121,644	60,609	58,904
Central Western District—					
Atch., Top. & Santa Fe System	24,460	25,463	20,439	10,474	7,58
Alton	3,040	3,749	2,963	4,393	2,834
Bingham & Garfield	724	665	521	121	63
Chicago, Burlington & Quincy	15,545	17,421	14,327	10,627	9,566
Chicago & Illinois Midland	2,405	2,670	1,815	855	788
Chicago, Rock Island & Pacific	11,888	14,266	13,299	11,368	10,846
Chicago & Eastern Illinois	1,820	2,762	2,560	2,762	3,149
Colorado & Southern	701	671	678	1,858	1,652
Denver & Rio Grande Western	3,243	2,222	2,098	5,073	3,599
Denver & Salt Lake	566	373	252	15	30
Fort Worth & Denver City	1,398	1,428	1,147	1,194	1,058
Illinois Terminal	1,863	2,073	1,708	2,361	1,908
Missouri-Illinois	1,255	1,143	839	368	477
Nevada Northern	2,027	2,091	1,848	119	117
North Western Pacific	1,118	843	757	487	484
Peoria & Pekin Union	11	12	17	0	0
Southern Pacific (Pacific)	30,313	31,543	26,375	9,998	6,754
Toledo, Peoria & Western	257	299	330	1,514	1,535
Union Pacific System	12,546	14,915	12,595	12,273	10,461
Utah	597	296	167	6	4
Western Pacific	2,105	1,732	1,624	3,380	2,466
Total	117,882	126,637	106,359	79,246	65,380
Southwestern District—					
Burlington-Rock Island	177	222	191	165	191
Gulf Coast Lines	4,441	2,494	2,291	2,262	1,750
International-Great Northern	2,809	2,303	1,941	2,600	2,09
Kansas, Oklahoma & Gulf	345	286	258	1,090	1,014
Kansas City Southern	4,916	2,446	1,902	2,757	2,263
Louisiana & Arkansas	3,640	2,152	1,694	2,083	1,920
Litchfield & Madison	321	371	212	1,307	1,078
Midland Valley	662	474	417	220	313
Missouri & Arkansas	145	187	160	292	397
Missouri-Kansas-Texas Lines	5,266	4,436	3,865	4,078	3,78
Missouri Pacific	15,363	16,982	11,675	17,170	11,227
Quanah Acme & Pacific	109	77	104	154	40
St. Louis-San Francisco	8,673	9,035	7,635	7,670	5,678
St. Louis Southwestern	2,710	2,778	2,473	6,671	3,498
Texas & New Orleans	10,234	7,347	5,587	4,364	4,034
Texas & Pacific	4,571	3,826	3,859	6,860	4,599
Wichita Falls & Southern	112	187	136	45	52
Weatherford M. W. & N. W.	25	14	16	35	63
Total	64,519	55,617	44,416	59,823	43,903

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity*	
				Current	*Cumulative*
1942—Week Ended—					
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101
Apr. 25	139,026	156,201	388,320	93	100
May 2	135,273	152,569	371,365	90	99
May 9	130,510	143,427	360,221	86	99
May 16	119,142	141,745	336,530	82	98
May 23	120,224	140,650	316,443	81	97
May 30	113,059	132,901	288,516	77	96
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on June 26 a summary for the week ended June 20, 1942, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended June 20, 1942	Total for week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	8,337
Number of shares	217,909
Dollar value	7,939,092
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	128
*Customers' other sales	8,624
Customers' total sales	8,752
Number of Shares:	
Customers' short sales	3,056
*Customers' other sales	213,021
Customers' total sales	216,077
Dollar value	6,656,262
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	110
†Other sales	71,410
Total sales	71,520
Round-lot Purchases by Dealers—	
Number of shares	78,480

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended June 20, 1942

Lumber production during the week ended June 20, 1942, was 4% less than the previous week, shipments were 3% less, new business, 19% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 9% above production; new orders 8% above production. Compared with the corresponding week of 1941, production was 2% less, shipments, 2% greater, and new business 10% less. The industry stood at 137% of the average of production in the corresponding week of 1935-39 and 158% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 24 weeks of 1942 was 2% below coresponding weeks of 1941; shipments were 6% above the shipments, and new orders 9% above the orders of the 1941 period. For the 24 weeks of 1942, new business was 26% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 68% on June 20, 1942, compared with 44% a year ago. Unfilled orders were 21% greater than a year ago; gross stocks were 22% less.

Softwoods and Hardwoods

Record for the current week ended June 20, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	463	463	481
Production	263,102	269,630	273,179
Shipments	287,486	281,539	296,566
Orders	285,425	318,544	353,848

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	377		102	
Production	252,318	100%	10,784	100%
Shipments	271,366	108	16,120	149
Orders	269,530	107	15,895	147

Items About Banks, Trust Companies

Fred C. Eggerstedt, John J. Lendrum, John D. Revene and Carl W. Weis were promoted on June 24 to be Second Vice-Presidents of the Chase National Bank, of New York. Cloyd H. Huffard was appointed an Assistant Cashier.

At a regular meeting of the Board of Directors of the National City Bank of New York held June 23, John L. Curtis was appointed an Assistant Vice-President.

Guaranty Trust Company of New York announces the appointment of Milton A. Schwarz as Assistant Comptroller.

Manufacturers Trust Co., New York City, has been authorized by the State Banking Department to open a branch office at 380 Sixth Avenue, after Aug. 1 upon the discontinuance of the branch office at 337-339 Sixth Avenue.

Henry Parish, Vice-President and a Trustee of the Bank of New York, died on June 26 at his Summer home in Llewellyn Park, West Orange, N. J. He was 82 years old. Mr. Parish had been associated with the bank since 1877. He began his banking career as a messenger for his father's bank, then known as the New York Life Insurance and Trust Co. and became Vice-President in 1900. The Bank of New York and the New York Life Insurance and Trust Co. was merged in 1922 to form the Bank of New York and Trust Co. The institution reverted to its original name, Bank of New York, in July, 1938.

Mr. Parish was treasurer of the American Geographic Society, a member of the executive committee of the New York Historical Society, Treasurer of the Havana Relief Fund Society, a director of the Atlantic & Charlotte Air Line Railway Co. and Vice-President and a director of the Parish Safe Deposit Co.

At the regular meeting of the Board of Directors of the National City Bank of New York on June 30, James R. Hobbins, President and Director of the Anaconda Copper Mining Company, was elected a director of the bank. Mr. Hobbins is also President and Director of Andes Copper Mining Co., Butte Water Co., Chile Copper Co., Chile Exploration Co., Diamond Coal & Coke Co., Montana Hardware Co.; Vice-President and Director of Butte, Anaconda & Pacific Ry. Co. and Director of American Brass Co., Chile Steamship Co., International Smelting & Refining Co., Mines Investment Corp. and Montana Power Co.

Peter Van Brunt, Assistant Vice-President of Central Hanover Bank and Trust Company of New York, has resigned to accept a special assignment in the Navy Department. It is announced that he will be located in Washington, D. C., after July 1.

At the regular meeting of the Board of Directors of the National City Bank of New York held on June 30, Carl W. Hayden, formerly supervisor of the branches in India, was appointed an Assistant Vice-President.

Following the meeting of the Board of Trustees of the New York Trust Company on June 30, John E. Bierwirth, President, announced the appointments of Frank M. Aukamp and Harvey A. Basham, Jr. as Assistant Secretaries. Both are associated with the company's Corporate Trust Division. Mr. Aukamp has been with the New York Trust Company for 26 years. Mr. Basham has been employed by the bank for 14 years.

The Bronx Saving Bank, Bronx, N. Y., has received permission from the State Banking Department to open a life insurance department.

Petition to pay a final dividend of 12%, amounting to $261,868, to depositors in the savings department of the Merchants Trust Co., Lawrence, Mass., has been approved by the Supreme Judicial Court. According to accounts reported in the Boston "News Bureau" of June 19, which said:

> Previously savings department depositors had received 80.25% of their claims and the final dividend presently to be paid will give them a total of 92.25% of their claims. Approximately 5,000 depositors of the savings department will benefit, receiving back all told $2,013,100. Distribution of the final dividend is expected to be made about July 21.
>
> There will be no further dividend payments to depositors in the commercial department. They have received dividends totaling $1,027,361, or 60% of their claims.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on June 16 the admission of the Twin Valley Bank, West Alexandria, the First State Bank of West Manchester, the Peoples Banking Co. of Lewisburg and the Bank of Mount Eaton Co., Mount Eaton, all of Ohio, to membership in the Federal Reserve System. With the admission of these institutions the total number of State-chartered member banks in the Fourth District is 181, of which 144 are in the State of Ohio. The new members operate in sections which are primarily agricultural. "The fact that these are all small banks," said Mr. Fleming, "evidences a growing appreciation that smaller banking units find membership in the System not only desirable, but helpful to the communities which they serve."

Stanley W. Ropa, Executive Vice-President of the Peoples Federal Savings and Loan Association of Chicago, announces the payment on July 1 of a dividend of 3% per annum to thousands of savers and investors of the Peoples Federal Savings and Loan Association of Chicago. It is claimed that the Peoples Federal Savings and Loan Association of Chicago has the record of making more loans for construction and remodeling in its immediate section that any other such organization. Al C. Ropa, Assistant Secretary and Manager of the Peoples Federal Savings indicates that investing is not limited to individuals, but that societies, clubs, professionals, insurance companies and fraternal organizations are permitted by State law to invest in the Peoples Federal Savings.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on June 22 made a successful placement of $30,515,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. Of the total amount $26,915,000 were sold publicly at par, of which $10,810,000, dated July 1, 1942, and due Dec. 1, 1942, carries a coupon rate of 0.65% and $16,105,0000, dated July 1, 1942, and due May 1, 1943, bears a coupon rate of 0.85%. The other issue of $3,600,000 carrying a coupon of 0.50% and maturing Oct. 1, 1942, was sold privately at par. Of the proceeds of the sale $28,455,000 will be used to pay off a like amount of debentures due July 1 next and $2,060,000 is for new money. At the close of business July 1 next the banks will have outstanding $301,530,000 debentures, an all-time high.

New War Bond Manual Sent Out to Banks

As a further aid to banks in their already intensive activity in the selling of War Savings Bonds, the Treasury Department is mailing to the commercial and savings banks of the nation a new 32-page manual entitled "Helping Your Bank Sell U. S. War Savings Bonds," which, as Secretary Morgenthau describes it, "outlines the form and develops various suggestions which can be considered vital to a coordinated plan for the promotion of United States War Savings Bonds." The announcement issued June 26 by the American Bankers Association regarding the booklet says:

> The booklet is a joint undertaking of the Treasury Department and the American Bankers Association which cooperated in its preparation. It contains a plan for training bank personnel for the selling of war bonds and suggestions for window and lobby displays, reproducing in picture form displays used successfully by banks. It also furnishes specimen newspaper advertisements, some from the advertising service of the American Bankers Association and others from the Treasury War Savings Bond staff service, together with reproductions of advertisements already used with good effect by banks.
>
> In addition, it contains suggestions for activity in the fields of newspaper publicity, direct mail, and radio, outlining plans found to be effective. Sources of speech material are also given.
>
> The manual stresses the importance of training bank employes for the job and suggests methods that can be used.

Secretary of the Treasury Morgenthau has written as a foreword to the manual "A War Message to the Banks of America." In this he says:

> The success of one of the most vital of our country's war efforts is in your hands. To date, your unstinted contributions to the United States War Savings Bond program have been magnificent. What you did even before the outbreak of war has become one of the finest testimonials to our democratic way. That over 14,000 commercial and savings banks—without a cent of compensation—voluntarily launched a great and successful drive to sell War Savings Bonds is a glowing tribute to the quality of the patriotism of America's financial institutions. Now that we are engaged in a struggle for our very existence as a nation, your position as financial counselor to the people in your community has assumed an even greater significance and automatically an even greater responsibility for continued and mounting contributions.

In stating the aims of the War Bond program, the Secretary has the following to say:

> To help pay for the stupendous production of war equipment required for victory.
>
> To siphon into productive channels that portion of America's current income which would otherwise flood the nation's financial arteries with disastrous inflationary cash.
>
> To create individual backlogs of financial security for use during the period of industrial readjustment after the war.
>
> To create a nationwide saving habit which will serve the country's banks long after the war.

Joins War Savings Staff

Secretary of the Treasury Morgenthau on June 25 announced the appointment of Harriett Wiesman Elliott, Dean of Women and Professor of History and Political Science at the Women's College of the University of North Carolina, as Associate Field Director in charge of Women's Activities for the War Savings Staff. It is pointed out that this is the second time that Dr. Elliott has come into her country's service in wartime, inasmuch as she was a member of the Women's Council of Defense during the first World War.

Recently, Miss Eliott served as chief of the Consumer Division of the Office of Price Administration.

Banking School Graduates; R. W. Hill Honored

One hundred and seventy bank officers, three bank examiners and one state banking commissioner representing institutions in 37 states were graduated by The Graduate School of Banking at New Brunswick, N. J., on June 26 at commencement exercises marking completion of the eighth year of the school. The Graduate School of Banking is a school for advanced study for bank officers conducted at Rutgers University by the American Bankers Association. The 174 student bank officials who graduated have completed a course requiring two years of extension work at home and three sessions of two weeks in residence at Rutgers during the month of June. During the two weeks' session just closed 543 bank officers were in residence.

The commencement address at the exercises was delivered by Dr. Clark G. Kuebler, Assistant Professor of Classics at Northwestern University, Evanston, Ill. Diplomas were presented by Dr. Lewis E. Pierson, Chairman of the Board of Regents of The Graduate School of Banking, former Chairman of the Board of the Irving Trust Co., New York and now New York Down State Chairman of the War Savings Staff of the U. S. Treasury Department.

An honorary degree of Master of Arts was conferred on Richard W. Hill, Registrar of The Graduate School of Banking at the commencement exercises on June 26 by Robert C. Clothier, President of Rutgers University. In conferring the degree upon Mr. Hill, Dr. Clothier read the following citation:

> Over the years you have rendered distinguished service as author, editor and practitioner in the field of law. You have conscientiously discharged the duties inherent in your position as a public official of the City of New York. Throughout your long and fruitful career you have displayed unusual talent in business and educational administration. In recognition of these achievements and as a personal tribute to you I am authorized by the Trustees of Rutgers University to confer upon you, honoris causa, the degree of Master of Arts.

Mr. Hill has been registrar of The Graduate School of Banking since its inception in 1935. He was national secretary of the American Institute of Banking for 22 years, and has been secretary of the American Bankers Association since Nov. 1, 1937.

To Sell War Bonds On RFD

Millions of persons in the rural areas will be provided with a new and convenient method of purchasing War Bonds as a result of an order issued by the Post Office Department authorizing rural carriers to accept applications for War Bonds, the Treasury Department's Defense Savings Staff announced on June 24. The announcement says:

> Purchasers must pay for the bonds at the time of making application, and payment must be in cash or War Savings Stamps or by check. The carrier will give receipt for the purchase price and will in most cases deliver the Bond in person after it has been issued by his postmaster.
>
> This is the first time postal carriers have been authorized to accept applications for Bonds, although they have been selling War Savings Stamps in both rural and urban areas for several months.

Reserve Bank Rules On Sat. Cash Collection

Allan Sproul, President of the Federal Reserve Bank of New York, issued the following notice to members on June 19 regarding the collection of cash items drawn on banks not open for business on Saturdays:

> We are informed that with a few exceptions the banks located in the portion of the State of New Jersey that is included in the Second Federal Reserve District will not be open for business on Saturdays from June 20, 1942 to Sept. 12, 1942, both inclusive, which have been made public holidays for the purposes described in section 36:1-1 of the Revised Statutes of New Jersey. In the circumstances, therefore, our head office will defer, until the next business day, credit for cash items drawn on or payable at members of the Northern New Jersey Clearing House Association for which credit would be given on such Saturdays if they were not public holidays; and our head office and Buffalo branch will defer for an additional day, i.e., for three business days after receipt, credit for cash items drawn on or payable at other New Jersey banks located in the Second Federal Reserve District which are received on Fridays to and including Sept. 11, 1942.
>
> While we are further informed that certain banks located in the State of New York will not be open for business on Saturdays from July 4, 1942 to Sept. 5, 1942, both inclusive, we contemplate no changes in the current practices of our head office and Buffalo branch with respect to giving credit for cash items drawn on or payable at New York banks which will not be open for business on Saturdays during such period.
>
> It should be remembered that there will be a delay of one business day in returning cash items that may be dishonored by drawee banks which are not open for business on Saturdays during the periods mentioned above and in advising you of the fate of such items.

Treasury Considers 5% Withholding Tax

Secretary of the Treasury Morgenthau disclosed on June 25 that the plan for collecting individual income tax at the source, tentatively fixed by the House Ways and Means Committee at 10%, is now being considered for possible revision to a withholding rate of 5%. Under the plan adopted by the House group, at the Treasury's suggestion, a withholding rate of 10% would begin on Jan. 1, 1943, with taxpayers permitted to apply one-half to taxes on 1942 income and half to 1943 tax liabilities. However, a House Committee member suggested to the Treasury and the Joint Committee on Internal Revenue Taxation that a withholding tax rate of 5% be approved with all of this being applied to 1943 income taxes and that a 10% rate be imposed in 1944. The Treasury and the Joint Committee staffs are understood to have this under consideration.

Secretary Morgenthau also disclosed at his June 25 press conference that he had proposed to the House Committee that taxpayers be given the option of paying their 1942 income tax monthly instead of in quarterly instalments.